B 1

CLASS B

File No. AFD 20 FAC 58 (Part-II)

MYSORE GOVERNMENT SECRETARIAT

Notes/Correspondence/Collection

Department Agriculture & Forest Section (Forest-A)

Subject :— Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd — Release of Forest land at Kalsur (Yellapur Tq., North Kanara).

Earlier References :— AFD 20 FAC 58. (Part I). AFD 49 FDP 65.
AFD 11 FDP 62
AFD 25 FDP 62.

Later References :— AFD 111 FDP 63.
AFD 76 FDP 68.

A
1/4/04

(Classification A/B/C)

3/11/69

Notes Pages 45
Correspondence Pages
For/Not for Section note Book
To be destroyed after X

N Radhe Sai
2/5/84
Vol 7 A7

Under Secretary to Government

18/2/58

3/1/69

4/11/69

Indexed

ಸರ್ಕಾರದ ಅಧೀನ ಕಾರ್ಯದರ್ಶಿ,
ಅರಣ್ಯ, ಮೀನ ಮತ್ತು ಜೀವಿ
ಶಾಸ್ತ್ರ ಇಲಾಖೆ (ಅರಣ್ಯ-ಬಿ)

Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd.;-
Bangalore - Release of Forest Land.- 21

Mysore Government Secretariat

[App. F. III 2

File No. AFD 20 FAE 58 (Part II) of 196

Serial No.

AGRICULTURE & FOREST DEPARTMENT
(FORESTS)
=========

The request of the Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd. for release of 600 acres of forest land has been considered separately and the Cabinet has decided that initially they should be given an area of 200 acres and further area should be released after assessing their requirements. The main file is with the Minister for Agriculture, Forest & Co-operation. In view of the Cabinet decision, no action is necessary on their letter dated 16th April 1962.

If approved, it will be recorded on the main file.

sd/-
(S.V.PRABHU)
Under Secy. A&F (Plans) 18.4.62

DY.SECY.(A&F) 18/4

DEPUTY SECRETARY TO GOVT. AGRICULTURE & FOREST DEPTT. 18 APR 19

E

Sri T.

Note.—Contn. Sheet

Releasing Forest land 200 acres in favour of Greaves Rayon pulp & paper mills Ltd

3

File No. of 195 . | Mysore Government Secretariat

He may be allowed to clear the area immediately as was done in the case of six acres which were given to him for the foundation stone. The same rates for the work done, may be applied in the present case also.

23/4/62

Serial No. 3.

AFD 11 FDP 62
D. S. 18-4.

393/62-63

AF Secy) Secy (A&F)
24-4

M. (Agri & Forests)

Since the Govt have not agreed to the rates proposed by the C.C.F for the work done by the Industrialist in the case of the clearance of six acres I propose that the Department has to take steps to clear the area and hand it over to the industrialist with in a course of two months

BR 24/4/62

4.

AGRICULTURE & FOREST SECRETARY
1788
24 APR 1962
GOVERNMENT OF MYSORE

C. S. for kind perusal. Secy (A&F)

C. M. for favourable appr. perusal.

25/4

25/4/62 (6)

R. J. REBELLO,
Chief Secretary.

5.

XXX

I shall order accordingly 25-4-62

BR 25/4/62

Ref. orders at Para 4/n.f. Supra.

7.

Draft G.O. is sub'd. for approval.

These papers may be amalgamated with the main file when the same

8

25.4.62.

WD 04700—GPB—PZS—8.00.000—1958

(Contd)

Mysore Government Secretariat

File No. AFD 20 FAC 58 (Supl) of 195

[App. F. III 2

4 3

Serial No.

Agri. & Forest Department (Forests)

...

1. The Cabinet resolved on 3.1.1962 that various proposals in paragraph 4 of the Cabinet Note prepared in connection with the establishment of ~~The Greater Mysore~~ Rayon Grade Pulp and Paper Mills ~~Ltd.~~ in Mysore State. According to this decision, 200 acres of forest land are required to be cleared and leased out to the Greater Mysore Rayon Grade Pulp and Paper Mills Ltd. on payment of an annual lease rent of Rs.80/- per acre initially. If the additional area is considered necessary, it has to be made available after assessing the actual requirements of this Industry. According to this decision of Cabinet, orders may issue directing the Forest Department to release 200 acres of forest land immediately in favour of the Greater Mysore Rayon Grade Pulp and Paper Mills Ltd. on payment of an annual lease rent of Rs.80/- per acre. We may also stipulate in the order that this area should be released in favour of the Industry subject to ~~the~~ such terms and conditions as may be prescribed by Government in the matter of giving concessions to this Industry and subject to the Industry's giving an undertaking to the effect that they would abide by those terms and conditions. If approved, the appended G.O. may issue.

(S.V. Prabhu)
U.S.(Forests).
10.4.62

D/S - A&F Dept.
10/4

C.S.
M (7)

(2) 10/4 BR 12/4/62 of three hundred acres can be given, it may be done so

OFFICE OF THE MINISTER OF MYSORE 393/62-63 12 APR 1962

DEPUTY SECRETARY TO GOVT. AGRICULTURE & FOREST DEPTT. NO. 1134-G 10 APR 1962

THE MINISTER FOR AGRICULTURE & SOCIAL WELFARE No. F. 431/62 Note.—Contn. Sheet 12/4/62

F. No: AFD 20 FAC 58 (Supl).

5

4/c:

D. No: 3326 — CCF's D.O. No: A2(b)96-2311/58, dt. 30-4-62

15) An area of 200 acres at Halsur is ordered to be released to G.M.R. G.P & P Mills after clearing the same of tree growth within a period of 2 months, vide G.O. dt. 27-4-62 at P. 1/cf. The CCF states that the area is covered by thick forests and it not possible to clear the same within two months. Normally the clearance of the area will take one year. The CCF has, however, instructed the DFO to clear the area by calling for rate auctions as expeditiously as possible.

16) In view of the endorsement of the Secy. A&F on the P.U.D, draft letter to CCF is subd. for approval. 5/c.

Mt.
3.5.62 3/5

17) The draft put up may be approved and it is for orders whether the same may be ~~issued~~ issued under the Signature of the Secy. JSR 3/5/62

~~DS~~ (18) It may issue under Secy's Signature if appd.

(14) Secy) Appd. 2 SSM 3/5

JSR 5/5/62

Issued on 9 MAY 1962

9/5

DEPUTY SECRETARY TO GOVT. NO. 1113-7 3 MAY 1962 AGRICULTURE & FOREST DEPTT.

AGRICULTURE & FOREST SECRETARY 2083 3 MAY 1962 GOVERNMENT OF MYSORE

Releasing Forest land 200 acres in favour of Greater Rayon Pulp and Paper Mills Ltd

6 5

is received back in the Branch.

9) Draft G.O already put up is revised according to the orders in Para 4 Supra of N.F and the same may be approved.

10) ~~D.S.~~ Pl. Issue & put up

JSR 26/4/62

26/4

JSR 26/4/62

G.O. issued on 27-4-62 (P-1/c).

11) Ref. para 10/n.f. supr.

The case papers are resubmitted.

The Party may be told that orders for the release of 200 acres have been passed and that he may approach the C.C.F for further needful action.

P-2/CF.

12) Draft letter is Subd. for approval.

27-4-62

21/4

(13) For perusal before issue

~~D.S.~~

JSR 27/4/62

(14) Issue & put up

27/4

JSR 27/4/62

DEPUTY SECRETARY TO GOVT.
NO. 1056-F
27 APR 1962
AGRICULTURE & FOREST DEPTT.

PTO.

F. No: AFD 20 FAC 56 (Supl).

7 7

8/c.

D. No: 3417 - Letter dt: 3-5-62 from M/S. G.M.R. G.P + P Mills.

DEPUTY SECRETARY TO GOVT. NO. 12067 17 MAY 1962 AGRICULTURE & FOREST DEPTT.

21) Orders have been passed for the release of 200 acres of Forest land to the Company, vide G.O. of 27-4-62 at P-1/CF. The Company states that its immediate ~~need~~ need is for 300 acres to commence the work. The Co. adds that the demarcation of 300 acres at Kalsher has already been completed by the DFO Kanara E.D.

22) The CCF also in his D.O. letter of 30-4-62 at P-4/CF has stated that 300 acres inclusive of the six acres, already released for the foundation stone ceremony of the Co. have already been demarcated for clearance & handing over to the Co. and as such it would be difficult to decifer which 200 acres out of 244 acres is to be released.

23) Considering the request of the Co. and the report of the CCF, we may agree to release 244 acres to the Co., instead of 200 acres making in all 300 acres.

24) Subd. for orders.

MH. 11.5.62 14/5

D.S. 17/5/62

25). Please see the Govt. ~~Lett~~ Order dated 27th April 1962 wherein it has been ordered that an area of 200 acres of land should be handed over to the Greater Mysore Rayon Grade Pulp and Paper Mills (Shri S.V. Viswanathan) after clearing the tree growth. The present request of Shri Viswanathan is that atleast an area of 300 acres may be given instead of the 200 acres now released. In this connection I ~~will~~ invite the attention of the Secretary to the D.O. letter dated 30th April 1962 from the C.C.F. This letter has already been replied on 9th May 1962. From this letter it is seen that the Forest Dept. has already taken action to demarcate 300 acres of land inclusive of six acres cleared earlier. It is not known how action was taken to demarcate this area.

1206-F

26) As far as the present request of the party is concerned, it would appear that the request for 100 acres in addition to the 200 acres already sanctioned may be considered only after the area now released is made use of. There does not appear to be much ~~point~~ in releasing huge areas of forest land unless the area is going to be put to immediate use. However, for orders, in the light of the circumstances stated by the C.C.F. in his letter dated 30th April 1962.

17.V.62.

E. S. N. MURTHY,
Dy. Secy. Agri & Forest Dept.

AGRICULTURE & FOREST SECRETARY
2289
17 MAY 1962
GOVERNMENT OF MYSORE

Secretary, A. & F.

27) The matter may be kept by for the present

Secy (A&F)
20.5.

Y. C. [illegible]
Secretary to Government,
Agriculture & Forest Departments

Forest

21/5/62

Subject:- Lease of Forest land to M/S G.M.R.G. P & P Mills.

Mysore Government Secretariat

File No. AFD 20 FAC 58 (Supl) of 195 [App. F. III 2 9

Serial No.

39. As per instructions of the H. Secy., the C.C.F. may be asked to intimate whether M/S G.M.R.G. P & P Mills have deposited with the Forest authorities, the amount of rent of 300 acres, leased out to them, vide G.O. of 27-6-1962.

40. DFA 2/c is Sued.

Int. 12-7-62. (41) Issue & resubmit.

12/7/62

Issued on 13 JUL 1962

42 Ref. para 3/n.f.

The file is resubmitted.

Int. 13/7/62. (43) FSR 16/7/62

D.S.

(44) Seen

17/7.

17/7

27/c.

45 D. No: 5452 - CCF's D.O. No: A2(b)96-2311/58 dt: 19-7-62.

46. An area of 300 acres is to be leased out to M/S G.M.R.G. P & P. Mills after clearing the area of tree growth, vide

PTO

DEPUTY SECRETARY TO GOVT. NO. 1581/F 17 JUL 1962 AGRICULTURE & FOREST DEPTT.

Note.—Contn. Sheet

Serial No.

G.O.s at PP 5 & 20/CF. Now the CCF states that due to many difficulties, it is not possible to clear the area within the time limit fixed i.e. two months. He therefore requests permission to allow the Company itself to work out the area subject to the condition that all materials are prepared and handed over as is required by the Dept. and that the charges for these works, at a reasonable rates to be fixed, may be paid to the Co.

As regards the recovery of ground rent @ Rs. 80/-, the question of its recovery will arise only from the date on which the cleared area is handed over to the Company. 47.

Subd. for orders whether the work of clear felling of 300 acres may be got done by the Company itself in view of the short time and the pressure from the Co. for its early release. 48.

(From para 4/n.f).

23-7-62.

For orders.

24/7 In the G.O. dated 27th April 62 the C.C.F. had been instructed to hand over the area of the Company after clearing the tree growth departmentally within a period of 2 months. The C.C.F. has now indicated the difficulties that 49

Mysore Government Secretariat

AFD File No. 20 FAC of 1958 [App. F. III 2 11 9

Serial No.

D. no. 3749 - p. 12.

28) for perusal and for orders.

(Ref to Paras 25 to 27 of N.7)

22/5/62 24/5

28/5/62

DEPUTY SECRETARY TO GOVT. NO. 1285-1 29 MAY 1962 AGRICULTURE & FOREST DEPTT.

29 Please see the orders of the Secy at S/L A in the PUD at P. 12 cf.

USF)

29/5

30/5/62

Sus

30 Extract of paras 336 and 337 from the main File No. AFD 20 FAC 58.

31 "336. Since the Bamboos have commenced flowering all these will go a waste if not properly removed. There is also a possibility of danger to the plantations and also stocked timber if there is wild fire. The question of releasing of another hundred acres to the Greater Mysore Industry for putting up their factory and other buildings seems to be marked by the C.C.F. When I was in Dandeli C.C.F. explained to me that it is not possible for the department to clear the area within two months in view of the fact that the rainy season has set in and in anticipation of Govt. approval he has already got the trees marked in three hundred acres. First to save time and to give encouragement Order may issue releasing another hundred acres. Secondly the decision of the Company agreeing to allot

(332)

"(337). Please take action accordingly.

Id/-16-6 "

Secy., A&FD.

Note.—Contn. Sheet

12

File No. AFD 20 FAC of 1958 (Sup)

Mysore Government Secretariat

~~90,000 tons of Bamboos may also issue.~~

Serial No.

Id/-B.Rachiah
Min. for Forests.
12-6-62.

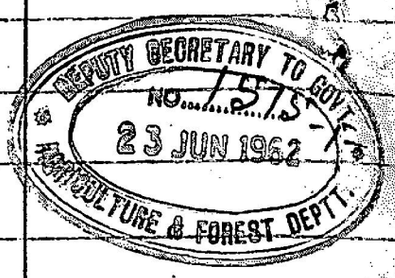
Please peruse Minute dated 12.6.62 of M(Forests), extracted from the main file, at Para 31 ante and orders of the Secy. at Para 32 ns. Draft Go granting an additional area of 100 acres and draft letter to the M.Dir. submitted is for approval. 33

Eag 23/6/62 23/6

Draft may be approved. 34.

JR 23/6/62

D.S.



Issue 35

JR 25/6

JR 26/6/62

Go Issued on 27 JUN 1962

27/6/62

18/CF

D.No: 4930 - Letter dt. 28-6-62 from M/S G.M.R.G.P. & Papers Mills Ltd. 36.

PWD may be filed after perusal. 37.

4.7.62 (38)

JR 9/7/62 (38)

DEPUTY SECRETARY TO GOVT. NO. 1575 23 JUN 1962 AGRICULTURE & FOREST DEPTT.

WD-010154-GPB-PZS-8,00,000-1-10-61

are in the way for attending to the work departmentally and has sought approval of Govt for getting this work done by the Company itself in view of the short time and the pressure of the Company. In view of the present request, the orders already issued is for reconsideration.

JR
26/7/62

~~D.S.~~

50) This was discussed by the CM & MF with Shri Viswanathan at the meeting on 26/7. Let us await decisions & instructions.

~~VSF~~

JL
26/7

JR
27/7

29/c

51) D.No: 6020 — CCF's letter No: A2(B)96 — D.No: 6075 — 31/c 2311/58 dt: 2-8-62.

52) An area of 300 acres of Forest land has been ordered to be released to M/S G.M.R.G. P & P Mills Ltd. with instructions that the clearance operations should be done by the Forest Dept. vide G.O.s of 27-4-62 & 27-6-62 (PP 5 & 14/CF). In the meeting held in the chambers of the C.M. on 26.7.62 it was stated that the Firm may be asked to take up clearance operations in that area.

53) The CCF states that in pursuance of G.O. of 27-4-62 (P-5/CF), the DFO Kanara E.D.

PTO

has called for tenders for extraction and delivery of timber etc and the date fixed for receipt of tenders is 9-8-62. As no decision has been taken on the discussions of the meeting held on 26-7-62, the CCF requests for orders in the matter.

54) If approved, CCF may asked to advise the D.F.O. to defer this matter until further orders.

32/C.

55) D.F.A. is subd.

Int.
6.8.62 } 6/8 Resubmitted.

33/CF.

56) D. No: 6063 — Letter dt. 6.8.62 from M/S GMRG P&P Mills.

57) Perusal is requested from Para 51/n.f. Shri Vishwanathan also requests that the DFO Kanara E.D. may be asked to cancel the tender notices.

58. Draft letter to CCF at P-32/CF is for approval.

(From Para 51/n.f).

Int
6.8.62

Reference to Paras 49 to 58.

59) In the circumstances explained above it is better if the Tender-notice already issued by the D.F.O. Kanara E.D is cancelled by him pending reconsideration by Govt. of the

(Contd

Mysore Government Secretariat

File No. AFD 20 FAC 58 of 196

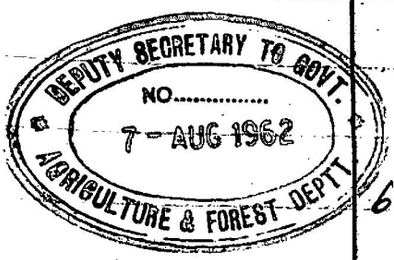
[App. F. III 2 15

Serial No.

orders already issued. Since 9th Aug 1962 is the last date fixed for the receipt of Tenders, immediate action is necessary to avoid possible complications.

Draft as revised may be approved.

7/8/62



DEPUTY SECRETARY TO GOVT. NO..... 7 - AUG 1962 AGRICULTURE & FOREST DEPTT

60. D/S. As proposed. A telegram to the D.F.O. is called for. If appd. it will issue tomorrow.

7/8

Secy.

61. Since the Question of entrusting the work of felling and clearance of tree-growth in the area concerned is accepted in the meeting held at the Chambers of C. M. and since the M (Forests) is not available at present, a Telegram may issue and the same brought to the notice of the M (Forests) thereafter.

7/8/62

62. Dft pl. AT ONCE

7/8

Ref. Paras 61-62/n.f. 7/8 (G.P.M.)

63. Draft telegram is subd. for approval

8.8.62

(64) Draft may be approved ~~Issue & submit~~

D/S

8/8/62

(65) Issue & submit to M(F) n.r.t NF 61

Issued on 8 - AUG 1962 8/8/62 8/8

Note.—Contn. Sheet

File No. AFD 20 FAC 58 - Sup of 196

Mysore Government Secretariat

16

Serial No.

Ref. Paras 60 - 65/n.f. supra. 66.

The file may now be submitted to M (Forest) for favour of perusal.

DEPUTY SECRETARY TO GOVT. NO. 1862-F 10 AUG 1962 AGRICULTURE & FOREST DEPTT.

8.8.6-2 9/8

D.S.) 9/8/62

F.f.o. perusal from WF 61 on. 67

10/8

OFFICE OF THE ... No. F. 1433/62 13 AUG 1962 BANGALORE.

M(F)

Proposals may be called for from C.C.F. as to the condition and terms under which the Company has to be entrusted for clearance of the Forest wealth. It should be done with the quickest possible time before entrusting the work. 68

BR 14/8/62

DS A+F) 69

14-8 TODAY

D.S. P.

Pl. put up dft d.o. to CCF 70

14/8

WD-010154-GPB-PZS-8,00,000-1-10-61

14/8/62

17

Mysore Government
Secretariat

File No. of 196 [App. F. III 2

	Serial No.	
PM/CF.	71	Draft DO is put up for appr.
		Ram 20/8/62
		Resubmitted as per instructions of the US.
"copy put up below" Flag 'A'	72	In the GL. DO AFD 20 FAC 58, dt 17-8-1962 addressed to the Managing Dir of Greater Mysore Rayon Grade Pulp and Paper Mills Ltd. We have to them agreed to the clearing of the area sanctioned for them subject to certain conditions (vide item B in the letter). One of the conditions laid down is as follows
		"That the charges to be paid by Govt to the Company for this purpose are fixed by the CCF on the basis of reasonable rates prevailing in the neighbouring areas for clearance of forest growth."
	73.	Draft DO letter is put up to the CCF for consideration.
		Ram 20/8/62
		(74) Draft D.O may be approved.
		D.S. (75)
		20/8/62

DEPUTY SECRETARY TO GOVT. NO. 1943 21 AUG 1962 AGRICULTURE & FOREST DEPTT.

Note.—Contn. Sheet

Issue. Delay of six days issued 25/8 could have been avoided 21/8

	Serial No.
D.No.6402 - Letter dt.11-8-62 from G.M.R.G.P.&P. Mills Ltd.,.	76.
D.No.6443 - Letter dt.20-8-62 from -do-	77.
D.No.6712 - Letter dt.29-8-62 from -do-	78.

M/s Greater Mysore Rayon Grade Pulp and Paper Mills Ltd., have given replies to the points communicated to the Firm in Govt.letter dt.17-8-62 at PP.40-44/CF. As regards land (294 acres) to which the file under review relates, the Firm agrees to pay ~~to~~ the rate of Rs.80/- per acre per annum. The Firm wants to clear 294 acres in blocks of 50 acres each and as and when each block is cleared, they will deposit into Treasury the rental amount for the block of 50 acres so cleared. The Firm solicits a letter, authorising them to start the clearance work. 79.

As regards clearance of the area i.e.,logging operations, the charges to be paid by Govt.to the Firm are to be fixed by the CCF on the basis of reasonable rates prevailing in the neighbouring areas for standing trees vide para B(c) of G.L. dt.17-8-62 at P.41-CF. CCF's proposals in this regard have not been received. 80.

As the Firm wants to start immediately the clearance work in Blocks of 50 acres each and is prepared to pay the rent @ Rs.80/- per acre per annum as and when each block is cleared, it is for consideration whether the letter of authority for starting clearance of the area, as sought for by the Firm, may be given. 81.

Submitted for orders. 82.

30.8.62. In our letter dated 17-8-62 addressed to the Company (PP 40-44 CF) we had indicated ~~as follows~~ regarding the lease of land (294 acres) ~~as follows:-~~ 83

"that one years lease rent at the rate

WD 010154-GPB-PZS-8,00,000-1-10-61

Serial No.

of Rs 80/- per acre per year is to be deposited in advance. Against this Condition the party is asking for certain Concession. He has been allotted 300 acres of land at Kalsur for establishing his factory Building etc. Out of this Six acres has already been given to him. So he has to be given the remaining 294 acres on lease. Instead of making payment in advance for this 294 acres @ Rs 80/- per acre the party requests that he may be permitted to deposit lease money as & when he clears 50 acres to the bank.

Since the land is given only on lease we may agree but with this condition that he should make initial payment for 50 acres in advance. Since he has agreed to the rates, it is only in the method of making payment that he is seeking relief. F.D. may also be Consulted if deemed necessary.

JSR
30/8/62.

D.S.

DEPUTY SECRETARY TO GOVT. NO. 2070-F 1 - SEP 1962 AGRICULTURE & FOREST DEPTT.

84. M. discuss. We have imposed the same condition of advance payment on all the three firms. Exception might be invidious.

JSR 5/9 1/9

Note.—Contn. Sheet

Serial No.

Ref. para 84/n.f.

85. Discussed with the D.S. According to the recent decisions taken in respect of the various paper industries land is proposed to be given on lease in respect of only the under-mentioned two concerns:-

1. West Coast Paper Mills.
2. The Greater Mysore Rayon Grade Pulp and Paper Mills. (subject matter of this file).

~~I. Land.~~ In the case of the West Coast Paper Mills the decision in this behalf is as follows:-

"E Land "With regard to ~~xxxxxxxxxxxx~~ the request of the Co. for grant of an additional ~~xxx~~ 200 acres of land for Industrial Housing Colony and Industrial Expansion purposes, Govt. are agreeable, in principle, to sanction the same. But the exact location will have to be decided by further negotiation between the Co. and the representatives of the Dandeli Township Committee and the representatives of the Govt. in the P.L.M. Deptt.

4. Lease period and rent. The period of lease for (a) the area made over to the Co. for industrial and housing colony purposes and (b) the forest area from which raw material will be extracted by the Co. will be 30 years. This period will be calculated from the date of signing the new agreement.

The rent for the area occupied by the Co. for their industrial and housing colony purposes, etc., will be Rs.80/- per acre per year."

86. Since the West Coast Paper Mills required additional land for industrial and housing colony purposes no question of payment of lease amount in advance arises at this juncture because the land to

Serial No.

be given to them will have to be decided by further negotiation between the Mills, the representatives of the Dandeli Township Committee and the representatives of the Govt. in P.L.M. Deptt. More over West Coast Paper Mills are already functioning normaly and the additional land is not an immediate necessity so far as they are concerned. But in the case of the ~~National~~ Greater Mysore Rayon Grade Pulp and Paper Mills we have made it a condition in our letter relating to land as follows:—

"B. Land. - As you are no doubt aware, vide Govt. Order No.AFD 20 FAC 58, dated 27-4-1962, the Company has been sanctioned an area of 300 ares of forest land, inclusive of the 6 acres already handed over to the Company, on lease-basis for a period of 30 years. It was originally intended that the Forest Department should clear the lands for you and hand them over to you. At the meeting in the Chief Minister's chambers on 26-7-1962, however, you represented that, in view of the need to make an urgent clearing of the area, instead of the Forest Department doing the clearance, in your own interest, you will yourself be able to undertake it, provided this was agreed to by Govt. This question having been examined, Govt. are agreeable to your proposal subject to the following donditions:

a) That all the timber and forest materials in this area are prepared and handed over to the Forest Deptt.

b) That one year's lease rent at the rate of Rs.80/- per acre per year is deposited in advance:

WD-010154-GPB-PZS-8,00,000-1-10-6

Serial No.

c) That the charges to be paid by Govt. to the Company for this purpose are fixed by the C.C.F. on the basis of reasonable rates prevailing in the neighbouring areas for clearance of forest gorwth, and

d) That the lease-deed in respect of this area is executed by you in advance."

87. It is thus seen ~~with~~ that the Company will have to pay one year's lease rent at the rate of Rs.80 per acre per annum in advance. Since we are giving them 294 acres the amount ~~with~~ that will have to be paid in advance for one year will be 294 x 80 = Rs.23,520. The Co. feels that it will be convenient if instead of taking this amount as an advance they ~~would~~ may be permitted to pay the proportionate amount after clearing 50 acres at a time. Unless the forest area is cleared no progress could be achieved so far as this Co. is concerned. The Managing Director of the Co. has stressed in his latest letter that early orders may be given to him for clearance in blocks of 50 acres each and for collecting the proportionate amount at the end of each clearance of each block.

88. Since the Co. will have to deposit huge amount as noted above if we insist on the advance payment it is for consideration whether as a via-media we may agree for clearing the area in blocks of 50 acres at a time ~~xx~~ but on one condition that ~~he~~ the Co should deposit the amount of 50 acres (50 x 80 = Rs 4000) in advance ~~as~~ and when each block is worked up.

2120/F

AGRICULTURE & FOREST DEPTT.

~~D.S.~~ JBR 6/9/62

89 The Co. may be allowed, in the circumstances, to effect the clearance according to the following

Note.—Contn. Sheet

23

AFD. 20F AC 58

File No. of 196 .

Mysore Government Secretariat

Serial No.

phasing :

No.	Area	Advance Deposit
I Phase	100 acres	Rs 8000
II Phase	100 acres	Rs 8000
III Phase	94 acres	Rs 7520

2120-P

AGRICULTURE & FOREST SECRETARY 4449 10 SEP 1962 GOVERNMENT OF MYSORE

NF 83 may be seen.

For orders

8/9

Defy For kind orders

90.

OFFICE OF THE MINISTER FOR FORESTS & FISHERIES No F. 1610 Date 12-9-62 BANGALORE.

Y. C. HOMBALAYYA,
Secretary to Government,
Agriculture & Forest Department.

Since this order is in M (F) accordance with the decision taken in C.M. Chamber when the Hon'ble C.M., H. Minister for finance and H. Minister for & &c were present the orders may issue as per para 89 BR 12/9/62

91

AGRICULTURE & FOREST SECRETARY No. 13 SEP 1962 GOVERNMENT OF MYSORE

SA. & (F) 13.9

14/9 14/9/62

WD-010154-GPB-PZS-8,00,000-1-10-61

File No. AFD 20 FAC 58 (ii). of 196.

Mysore Government Secretariat

Serial No.

CCF would not permit the Firm to start the clearance work unless & until the agreement is finalised.

It was with a view to enabling the Firm to start the clearance work at the earliest that permission was accorded in G.X. of 17-9-62. As it will take some time for the agreement to be finalised, the CCF may be asked to authorise the Firm to start the work of clearance, pending finalisation of the agreement & other formalities if necessary by taking an indemnity bond. 99.

~~56/C~~

D.F.A. is Subd. 100.

57/CF.

22-9-62. Draft may be approved 101

22/9/62

~~D.S.~~

The clearance to prove fruitful hinges on the point whether ultimately the Co. is going to start functioning or not. 102.

DEPUTY SECRETARY TO GOVT. NO 2296-F 22 SEP 1962 AGRICULTURE & FOREST DEPTT.

WD-010154—GPB—PZS—8,00,000—1-10-61

25

Mysore Government Secretariat

File No. AFD 20 FAC 58 ~~(Supt)~~ of 196 [App. F. III 2

Serial No.

92. Ref. Paras 89-91/n.f. Supra.

52/CF

Draft letter to M/S G.M.R.G. P+P Mills Ltd. is sub'd. for approval.

93 Inst. 14-9-62. (93) Draft may be approved.

JSR 14/9/62

~~D.S.~~ (94) [signature]

S. [illegible] 14/9

Dy. Secy., A. & F. Dept.

Secy appr.

(95) [signature] 15/9

~~2 JF~~ [signature] 15/9

(96) Issue

JSR 17/9/62

[signature] 17/9 Issued on 17 SEP 1962

55/C

97. D. No: 7411 - Letter dt. 21-9-62 from M/S G.M.R.G. P+P. Mills

98 M/S G.M.R.G. P+P Mill have been permitted to start clearance of 294 acres of forest land at Kalsur, vide G.L. of 17-9-62 (Page 54/CF). In the PUD it is stated that the

PTO.

DEPUTY SECRETARY TO GOVT. NO. 2197-F 14 SEP 1962 AGRICULTURE & FOREST DEPTT.

AGRICULTURE & FOREST SECRETARY NO. 4626 15 SEP 1962 GOVERNMENT OF MYSORE

Note.—Contn. Sheet

Mysore Government Secretariat

File No. AFD 20 FAC 58 (iii) of 196 [App. F. III 2

Serial No.

This has to be a reasonable certainty. It will be bad policy to allow the clearance and then find that the Co. are not going to start functioning, after all. It is not to say that this will happen but that this shd. not happen. I shd. like the US. to examine this aspect & record his views. There is no need, as far as I can see, to consult the CCF on this.

22967

JJ
22/9
JR
22/9/62

~~Ref~~

59/c

XXX

G.W

Since the C.C.F has furnished today the rates for logging contracts we may take action once for all. There appears to be no need to take action as at Para 99 of N.F

JR
22/9/62

103. D. No: 7429 – CCF's letter No: A2 (b) 96-2311-58, dt. 21-9-62.

104. A perusal from para 85 to 96/n-f will recall the case.

105. The C.C.F. has sent proposals in respect of logging work to be executed by the Greater Mysore Rayon Grade Pulp & Paper Mills Ltd, in clearing the forest area of 294 acres, released to the Company

Note.—Contn. Sheet

P.T.O.

27

Mysore Government Secretariat

File No. AFD 20 FAC 58 (II) of 196

Serial No.

as per G.O. dated 27-6-62 (P-22/CF).

The logging will have to done by the Company and the prepared material delivered at the Timber Depot Kirwatti in accordance with the specifications of the Depot.

The rates proposed for the logging work are stated to be almost on par with those obtaining in the neighbouring Sub. blocks 33 & 34.

W II

The G.O. dt. 25-8-62, sanctioning the logging rates for the six acres, released previously, is placed below, at Flag A. 106. × AFD 11 FDP 62

5303/NL

In view of the reasons explained in PUD, the proposal may be accepted with F. D's concurrence. 107.

MYSORE GOVT. SECRETARIAT No. 2 SEP 1962 FINANCE DEPTT.

63/C.

Draft G.O. is Subd. 108.

24-9-62 F.D. concurrence. 109.

110

3
25/9

(F.D)

25/9/62

WD-010154—GPB—PZS—8,00,000—1-10-61

28

Mysore Government Secretariat

File No. of 196 [App. F. III 2

AFD 20 FAC 58 (ii)

Serial No.

U.O.No.5303/W.2.

Finance Department,
Works & Schemes II.

111. At 'X' of p.60/c.f. the C.C.F.states that the rates now proposed are "almost on par" with those applicable to sub-blocks 33 & 34 given out for logging after calling for tenders. What are the rates applicable to sub-blocks 33 & 34 may be ascertained. Since the situation of those sub-blocks is likely to be different from the present area, the A.&.F.Deptt. is also requested to ascertain the rates received against the tender notice cancelled under telegram dated 8.8.1962, so as to compare those rates with the rates now proposed.

X

Y

Hanumanthaman Rao
Jr Under Secretary,
F.D., W.&.S.
18/1.1962

A.&.F.D)

XXX
JR
19/10/62

112. If approved, CCF may be asked to furnish the information required by F.D. in para supra. DFA is subd.
67/CF

Initt.
19-10.62.

(113) Issue today
JR
19/10/62

Issued on 19 OCT 1962
19/10
70/CF.

114. D.No: 8120 - CCF's letter No: A2(B) 96-2311/58 D/22.10.62.

115. PUD furnishes the information called for by F.D. vide Para 111/n.f.

PTR

Note.—Contn. Sheet

29

Mysore Government Secretariat

File No. AFD 20 FAC 58 (ii) of 196

Serial No.

The case may be marked to F.D. for concurrence to logging rates proposed by the CCF.
(From Para 103/n.d).

Int. 22/10/62 F.D) JSR 22/10/62

MYSORE GOVT. SEC... No. 24 OCT 1962 FINANCE DEPTT.

U.O.No.5748/W.2.

Finance Department,
Works & Schemes II.

12.

The C.C.F. has kept silent on the information called for at 'Y' of para 111/c.f. The A.&.F.Deptt. is requested to obtain the same. 116.

Hansaraj Bhan Rao
I/c. Under Secretary,
F.D., W.&.S.

JSR 30/10/62

A.&.F.D)

Forwarded to CCF for furnishing the information 117.

M.O.: J.S. Ramaiya 30/10/62
M.S. A.F.

C.C.F.

No rates were received in the tenders as we received stay orders for the tenders were received from Govt. 118.
(A&F.D - 20 FAC 58 of 8/8/62)

N.S. Maithili
CCF 30/10

WD 010154—GPB—PZS—8,00,000—1-10-61

Serial No.

119. F. D. wanted to know the rates that were received against the tender notice which was cancelled subsequently, vide Para 111/n.4.

120. The C.C.F. says that no rates were received against the tender notice, vide Para 118/n.4.

121. The case may be referred to F. D. for concurrence to the logging rates proposed in CCF's letter of 21-9-62 at Page 59/CF. (From para 104/n.4).

Ins.

30-10-62 A.F.S. F.D (Sri Veeraraja urs for kind remarks) JSR 30/10/62

122 In view of the clarification made in para 118 ante, F.D agrees.

31/X.

A & F)

113 Draft G.O. may be approved. F.D has agreed to the rates also proposed by C.C.F in his letter of 21-9-62 at Page 59 of

Note.—Contn. Sheet

31

File No. AFD 20 FRC 58 (iii) of 196

Mysore Government Secretariat

C. 7-

Serial No.

31/10/62

Secy) Submitted for kind perusal (114) and appl. of the left part

Secy (A&F) 31-10-62

M. (Forests) issue (115) BR 31/10/62

S.A&F) 31.10 Issue today 116.

31/10/62

For financial communication. 117.

31-10-62

H. Com. No. 14014 of 31.10.62 118.

Agreed to in para 122

31/10

31/X/62

W(S W-S)

ISSUED

BY F. D. 31-10-62

G.O. Issued on 31.10.62

31/10/62

OFFICE OF THE MINISTER FOR FORESTS & No. 1872/62 37 OCT 1962 BANGALORE.

AGRICULTURE & FOREST SECRETARY 31 OCT 1962 GOVERNMENT OF MYSORE

WD-010154-GPB-PZS-8,00,000-1-10-61

Mysore Government
Secretariat

Sub:-Clearance of 294 acres of Forest land released for construction of Rayon Grade Pulp Mill at Kalsur, N.K.District.

File No. AFD 20 FAC of 1958(ii). [App. F. III 2 32

Serial No.

119 D.No.3119. - Letter dt.22-9-1962 from Shri S.V.Viswanathan, M.D., G.M.R.G. P. & P. Mills, Ltd.

120 In G.O.No.AFD 20 FAC 58, dt.27-6-1962 (P. 3/CF), sanction was accorded to the release of 294 acres of Forest land at Kalsur, Kanara E.D., in favour of M/s. G.M.R.G.P. & P. Mills., Ltd. Before handing over the area to the Company, it has to be cleared of the tree growth and the salvaged timber has to be transported to the Timber Depot at Kirwatti. In view of the urgency, the clearance work, i.e. felling, logging and transportation of timber to the Timber Depot has been entrusted to the Company itself.

121. Shri S.V.Viswanathan, Managing Director of the Company has come up with a request for permission to sign the agreement in this behalf and to receive payments from Govt. for the logging work done by the Company. He adds if payments are sanctioned to the Co., instead of in the ~~xxxx present~~ personal name of Shri S.V.Viswanathan, it will not be possible, within the provisions of the Companies Act, for Shri Viswanathan in his ~~present~~ personal capacity to cash cheques drawn in favour of the Co. or to operate the Co.'s bank until all flotation formalities are complied with and the Certificate for Commencement of Business is ~~xxx~~ obtained from the Registrar of Companies, which would mean considerable delay.

122 L.D. may be consulted in the first instance for advice whether Shri Viswanathan may be permitted in his personal capacity to sign the agreement and receive payments in this behalf.

(123)

L.D for favour of urgent remarks

23/10/62

1575

Cao 3

NMS

23 OCT 1962

Registrar-IV

Law Department

Note.—Contn. Sheet

22.10.62

File No. 1575 Law III of 196 .

Mysore Government Secretariat

33

Serial No.

Law Dept. 20 FAC 58

The file leading to the G.O. and agreement of any entered into by the party may kindly be made available

A&F)

W. V. ARBATTI
Under Secy., Law Dept.

124 X.

4
29 OCT 1962
FOREST DEPT. SECRETARIAT

JSR
30/10/62

125 X.

The file leading to the issue of G.O. No: AFD 20 FAC 58 dt. 27.6.62 is placed below (Flag A). No agreement has been entered into by the Party yet.

126 X.

The case may be referred to L.D. with ref. to Para 6/n.f.

Law 3
1 - NOV 1962
Registrar-I
Law Department.

1-11-62

L.D)

JSR
1/11/62

Law Department.

127.

Admittedly all floatation formalities of the company are not yet complied with and the certificate for commencement of business is also not obtained from the Registrar of Companies. The Government Order dated 31-10-62 entrusts the work to the company. It is now proposed whether it is possible that Sri Vishwanathan be permitted in his personal capacity to sign the agreement and receive payment in this behalf. If he were to sign the agreement in his personal capacity and receives payment it would not be binding on the company. Since the contract is in the name of the company the present proposal is not legally feasible. It is for the administrative secretariat to take a

AFD 20 FAC 58 (ii)

34

Mysore Government Secretariat

File No. 1655 of 196

[App. F. III 2

Law III

Serial No.

a decision whether it is advisable to entrust the work to Sri Vishwanathan in his personal capacity cancelling the previous Government Order referred to above.

S.V. Papa Reddy
(S.V.Papa Reddy)
Joint Secretary,
Law Department.

A. & F.Department.)

9.11.62

JB 9/11/62

78/C

128 D. No: 8720 — Letter dt. 12-11-62 from M/S G.M.R.G. Pulp & Paper Mills Ltd.

129 Perusal is requested of L.D's opinion at para 127 of the Articles of Assn at Flag 'A'. L.D. has opined that since the contract is in the name of the Company, Shri S.V. Vishwanathan cannot sign the agreement and receive payments for the logging work done in the 294 acres of Forest land at Vellapur (Kanara E.D). L.D. however leaves it to Govt. to decide whether it is advisable to entrust the work to Shri Vishwanathan in his personal capacity. In the meantime, the Director-Chairman of M/S Greater Mysore Rayon Grade Pulp & Paper Mills Ltd. has sent a resolution dt. 12-11-62, which authorises Shri S.V. Vishwanathan

PTO.

Contn. Sheet

Serial No.

to take up the clearance work in the leased Forest area (294 acres) in his own personal name and on his personal account and collect monies in this behalf.

In its letter of 22.9.62 (P.75/C) the Company has stated that under the provisions of the Company's Act it will not be possible for Shri Vishwanathan to encash cheques drawn in favour of the Co. or to operate the Company's Bank until all formalities are complied with and a certificate for commencement of business is obtained from the Registrar of Companies, which means considerable delay. With a view to conducting the preliminary work of the proposed Mills without delay, the Company, as an stop gap arrangement, has authorised Shri Vishwanathan (Managing Director of the Co) to sign the agreement in respect of the logging work 130.

36

File No. AFD 20 FAC 58 (ii) of 196

Mysore Government Secretariat

Serial No.

1722

Law 3

12 NOV 1962

Registrar I
Law Department

so that the company may continue ~~xxxxxxx~~ the work without ~~any trouble~~ delay.

L.D) JSR 12/11/62

Law Department.

The revised suggestion of the company referred to at para 132 of the notes does not change the legal position stated already by this department at para 127. According to the section 149(4) of the Companies Act that any contract made by a company before the date on which it is entitled to commence business shall be provisional only, and shall not be binding on the company until that date, and on that date it shall become binding. If for any reason, the company fails to commence business the contract would not be binding on it in which event section 70 of the Contract Act will not enure to the benefit of the Government. Then the Government will have to look forward to Sri Viswanathan to make good the amount in his individual capacity. for breach of contract 133

1441/JRS

S.V. Papa Reddy
(S.V.Papa Reddy)
Joint Secretary,
Law Department.
15-11-62.

JSR 16/11/62

A. & F.Dept.)

MYSORE GOVT. SECRETARIAT
16 NOV 1962
APPAL SECTION

PTO.

WD-010154-GPB-PZS-8,00,000-1-10-61

Serial No.

to be done in the forest lease area of 294 acres and to receive payments therefor.

Subd. for orders.

12.11.62.

131. Before seeking orders on the opinion of the Law Deptt., in paragraph 127 n/f., we have received a letter from the Managing Director, Greater Mysore Rayon Grade Pulp and Paper Mills Ltd. indicating why they are urgently in need of an authorisation in favour of Shri S.V.Viswanathan the promoter and the Managing Director of the Company for entering into an agreement and for authorising him to endorse eheques etc. They have also enclosed a copy of a resolution dated 10-11-62 authorising Shri S.V.Viswanathan to enter into in his personal name and on his own personal account and agreement with the State Govt. for the clearance of the leased forest area etc. and the same is for kind perusal.

132. All along, the Govt. of Mysore have issued orders in the name of the company itself. To facilitate the work being carried out as quickly as possible the G.M.R.G.P.& P. Mills Ltd. have now come up with this suggestion regarding authorising Shri Viswanathan to pursue the work of the company for which concessions have been granted by this Govt. In view of the revised suggestion of the Company the L.D. may be requested to kindly intimate whether the proposal now ~~putforwar~~ put forward may be accepted

Note.—Contn. Sheet

Serial No. 134.

Reference is invited to paragraphs 120 to 133 n/f. particularly paragraphs 127 and 133 containing the opinion of the Law Deptt.in this matter. As a result of the discussions held in the Chief Minister's Chambers in July 1962 it was agreed that logging work in 294 acres allotted to Greater Mysore ~~Rayon~~ Rayon Grade Pulp and Paper Mills may be entrusted to the company itself on the request of the promoter of the Company viz. Shri Viswanathan ~~xx~~ and as recommended by the C.C.F.

135. A difficulty has now arisen in view of the legal impediment that Shri Viswanathan cannot proceed with the work viz. executing the agreement or signing cheques etc. on behalf of the Company since the Company has not yet got a certaificated as required under the 'Company law' for the commencement of the business. This has resulted in delay in starting the work which the party as well as the Govt. wanted to expedite. Now there are only two courses open. One is to wait till the certificate of commencement of business is obtained and then start work. Second to authorise Shri Viswanathan, the promoter of the Company, to sign agreement in his individual capacity and receive payment for the logging work done until the commencement of business of the company and also taking an indeminity bond from him, ~~x~~ if this course can be adopted. The second course is suggested because we have ample hold on Shri Viswanathan because Shri Viswanathan, according to the Govt. Letter ~~Order~~ LP-54/CF) issued earlier, will have to pay ~~land~~ rent- value in advance for 100 acres at a time before taking up work in that area. Again the timber felled in the area will have to be delivered to forest depots and he can received payment for the logging work done by him.

DEPUTY SECRETARY TO GOVT. NO. 2597-A 17 NOV 1962 AGRICULTURE & FOREST DEPTT.

Note.—Contn. Sheet

39

Mysore Government Secretariat

File No. AFD 20 FAC 58 (ii) of 196

Serial No.

On both these accounts there is no fear of losing Govt. money. Any how to be doubly careful an indeminity bond may also be insisted from Shri Viswanathan stating that he would be personally responsible in case the company fails to start work and reimburse Govt. whatever losses are assessed at a later date. In case Govt. agree for the latter suggestion an indeminity bond to be taken will be got scrutinised by the Law Deptt. at the appropriate time. Since all along the Concessions are given to the Company it may not be possible to revise the G.O. already issued giving the Concessions to Sri Viswanathan, personally. 136.

D.S) 17/11/62

Kindly peruse paras 127 and 133 NF

Two Courses are possible: 137

a) To wait till the Certificate for the Commencement of business is obtained by the Co.

b) To authorize Shri Viswanathan to sign agreement in his individual Capacity and to require him to execute an idemnity bond to enable him to take up logging work without waiting for the Co. to Commence its business.

For favour of Consideration and orders

19/11/62

Secy. 8/Fs para 137(b) may kind by be approved

M (Forests) 137(b) approved

(138)

(139) 27.11.62

Y. C. HOMBALAYYA, Secretary to Government, Agriculture & Forest Department.

WD-010154-GPB-PZS-8,00,000-1-10-61

DEPUTY SECRETARY TO GOVT. NO. 28 NOV 1962 AGRICULTURE & FOREST DEPTT.

AGRICULTURE & FOREST DEPTT. No. 5764 20 NOV 1962 GOVERNMENT OF MYSORE

2644

OFFICE OF THE MINISTER FOR FORESTS & FISHERIES No. F. 2040 2 NOV 1962 BANGALORE.

Mysore Government Secretariat

File No. of 196 [App. F. III 2

AFD 20 FAC 58 (ii).

Serial No.

140. Ref. paras 137-139/n.f.

— 6F/C.

Draft letter to CCF is subd. for appl.

Int.
28.11.62
3 28/11

(141) Draft may be approved. In view of the urgency this may be subd to Secy & Minister after issue

FR
28/11/62

D.S.) (142) [illegible]
28.11

(143) Issue & put up

P-81/CF

FR
28/11/62

Issued on 28 NOV 1962

[illegible]
28/11/62

144. The file is resubmitted, with ref. to para 143/n.f. for information after issue.

Int.
29.11.62
3 30/11

D.S.) FR
1/12/62

Secy

Minister (7)

145) Since this file is urgently required by F.D for disposal of an urgent file, this is withdrawn from movement & sent to F.D) After return from F.D this may be sent to D S)

F.D) FR
3/12/62

Note.—Contn. Sheet

Sri Vardhanna
[illegible]
[illegible] F.D

41

· Release of forest land in favour of M/s. Greaves Kanyon Grave Prop & Paper Mills Ltd. Walsen

File No. AFD 20 FAC 58 (11) of 196

Mysore Government Secretariat

Serial No.

462/C

D. No: 116 — A. G's letter No: FDD II/508 dt. Dec. 1962. 146.

The G.O. which is to be referenced in G.L. of 28.11.62 is G.O. No: AFD 20 FAC 58 (ii) dt. 31.10.62 at Page 73/CF. This was omitted while making out a fair copy of the draft at P-80/C. A.G. may be informed accordingly. 147.

463/C.

DFA is sold. 148

Issue (149)

25.1.63.

228/1

26/1/63

Issued on 29 JAN 1963

29/1

Ref. paras 141 to 145/n.f. supra.

This file was withdrawn from movement as it was required by F.D. for the disposal of some other case. The file may be sold to Secy. A&F and Min (F&F) for favour of perusal of G.L. of 28.11.62 (P-80/CF). (From Para 133/NF). 150.

Supersal.

31.1.63.

2/2

D.S.

Secy

(153) 8/2

(151) 7/2/63

Minister (F)

(154)

SHP)

Ministr. for Forests and Fisheries.

AGRICULTURE & FOREST SECRETARY No 11 FEB 1963 GOVERNMENT OF MYSORE

795

AGRICULTURE & FOREST SECRETARY 718 7 FEB 1963 GOVERNMENT OF MYSORE

THE MINISTER FOR FOREST 8 FEB 1963

WD-010154-GPB-PZS-8,00,000-1-10-61

13.2

14/2

Subject:- Clearance of forest areas by Sri S.V. Viswanathan (L.H.R.L. P+P Mills).

42

Mysore Government Secretariat

File No. AFD 20 FAC 58 (ii) of 196

[App. F. III 2

Serial No.

65/CF.

155. SD. No: 142FA - CCF's letter No: A2LB)46-2311/58 dt. 17.3.64.

156. PHD has reference to h.p. dt. 31.10.62 at page 73/CF. Since Sri Viswanathan has not shown progress in the clearance of 294 acres allotted for the proposed Factory at Kalsur, Yellapur, the CCF requests that orders re: clearance of 1421 acres for the construction of dam may be passed only when the work of clearing 294 acres is complete.

157. We may agree to CCF's suggestion. A note has been taken in this behalf.

2.4.64

158. The suggestion of C.C.F may be accepted and the question of giving permission for actual clearance of 1421 acres for the Construction of the dam can be thought off only thereafter. Meanwhile the reaction of Sri Viswanathan notices issued in another Connection may be watched.

C.N. M speak. 3/4/64

S/ Sd 4/4/64

(159) Sri Viswanathan has sent a reply. 4/4/64

(T. S. RAMAIYA), Under Secretary to Government, Agriculture & Forest Department

(160) Secy. Fwd Kind perusal & Orders

Y. G. HOMBALAYYA, Secretary to Government, Agriculture & Forest Department

M (Forests) P.T.O.

DEPUTY SECRETARY TO GOVT. NO. 2880 4 - APR 1964 AGRICULTURE & FOREST DEPTT.

2009. 1964 GOVERNMENT OF MYSORE

Note:—Contn. Sheet

43

File No. 20 RAC 58 (II) of 196

Mysore Government Secretariat

Serial No. 161.

There are two points involved here in one is with regard to recovery of ground rent in respect of 294 acres which has been entrusted to the company for clearance of the tree growth. If the company has delayed the extraction, it is not the Govt fault and the company should pay the ground rent from the date of the order

2880

Second point is entrusting the clearance of a tree growth in 1421 Acres of land. Since there has not been a proper progress either in clearing the jungle growth in 294 or in starting the work with regard to factory. I am not in favour of entrusting any work to the Co. If C.C.F does not take prompt action he will be personally held responsible for all losses. BR 9.4.64

2009

9.4 (S.A.&F)

XXX

(162) P. intimate the C.C.F. at once to take necessary action 9.4.64

OFFICE OF THE MINISTER FOR FOREST No. F 897/64 7 ... BANGALORE.

9/4/64

WD-010154—GPB—PZS—8,00,000—1-10-61

clearance of forest areas
by Sri S.V. Viswanathan (G.R.G.P&PTM)

Mysore Government
Secretariat

File No. AFD 20 FAC 58 (11) of 196 [App. F. III 2

Serial No.

Ref. Paras 161-162/n.f.

163. If approved, a confidential letter may be addressed to C.C.F.

— 87/CF.

164. DFA is Subd.

Int. 10.4.64.

(165) Draft may be approved

16/4/64

(T. S. RAMAIYA),
Under Secretary to Government,
Agriculture & Forest Department,

D.S. (166) 16.4

V. M. LINGIAH,
Deputy Secretary,
Agriculture and Forest Department.

Secy.

(167) a/pr. Issue at once pl.

20.4.64

20.4

20/4

Issued 22/4/64

SECRETARY TO GOVT. NO. 3275 16 APR 1964 AGRICULTURE & FOREST DEPTT.

AGRICULTURE & FOREST SECRETARY 2385 17 APR 1964 GOVERNMENT OF MYSORE

aw 22.7.64.

168. Ref. PP 85 + 89/CF.
If approved, CCF. may be asked to indicate the progress, if any, made by the Co. towards the clearance of 244 acres of land at Kalsur.

— 90/CF.

169. DFA is Subd.

Int. 11.6.64.

14/6

Note.—Contn. Sheet

3/11/68

3/11/69

19.6.

Tel[redacted] "RAYONPULP"

Telephone: OFFICE : 7180
RESIDENCE : 7011

[redacted]er Mysore Rayon-Grade Pulp & Paper Mills Ltd

S. V. Viswanathan,
MANAGING DIRECTOR

REGISTERED OFFICE
6-E, BRIGADE ROAD
BANGALORE-1

Ref.

Date 16th April 1962.

MYSORE GOVERNMENT SECRETARIAT
No. 2973
17 APR 1962
FOREST BRANCH

AGRICULTURE & FOREST DEPT.
644
17 APR 1962
GOVERNMENT OF MYSORE

The Minister for Forest & Agriculture,
Government of Mysore,
Bangalore. 1.

Dear Sir,

Handing over and clearance of Forest Area for Construction of Mill Buildings etc. at Kelsur.

We have been requesting as far back as 1960 (Ref:Our letter dated 13th Dec. '60 addressed to the Secretary to the Govt. of Mysore, Agriculture & Forest Dept,Bangalore) and on several occasions thereafter that Six hundred acres of land be allotted to us, out of which 475 acres will be for the Mill Building, Godowns, Offices and other Civil Works required for the Industry and 125 acres for the residential quarters and Workers' Housing Colony. We have also requested that the entire area should be in one piece, otherwise, 475 acres in one piece and the remaining 125 acres in another piece, situated as adjacent as possible to the Mill area.

We now understand that you have recommended an area of 200 acres only to be cleared and handed over to us, and our Chief Engineer, Mr. J. Beuve, who has again gone through the whole details and plans, finds it impossible to fit in and work in this area, and he suggests that an area of at least 300 acres be handed over immediately, so that we may commence work by Wednesday next, 18th April, and clear the area ourselves, and have the material delivered to the Depot as directed by the D.F.O.

We would again stress that we cannot afford to allow any further time to be wasted, since it is already a year since the Six acres was handed over for the laying of the Foundation for this Factory, and much time has been wasted in clearing and handing over the areas, and awaiting instructions.

46

As we have to proceed with other formalities, we would like to complete this work within a couple of days, hence we request you kindly to recommend that 300 acres be handed over to us immediately, and that we be authorised to clear the same and deliver the material, at the fixed rate, to the various depots.

We once again request your immediate action in the matter.

Thanking you.

Yours faithfully,
for GREATER MYSORE RAYON-GRADE PULP & PAPER MILLS LTD.

S. V. Vis.

(S.V.VISVANATHAN)
Managing Director.

Copy to:

1. The Chief Secretary,
   Government of Mysore,
   Bangalore.

2. The Deputy Secretary,
   Forest & Agriculture Dept.,
   Govt. of Mysore,
   Bangalore.

Telegram: "RAYONPULP"

Telephone: OFFICE : 7180
RESIDENCE: 7011

Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd.

S. V. Viswanathan,
MANAGING DIRECTOR

REGISTERED OFFICE
6-E, BRIGADE ROAD
BANGALORE-1

Ref.....

Date 16th April 19 62

16.4.62

The Minister for Forest & Agriculture,
Government of Mysore,
Bangalore. 1.

Dear Sir,

Handing over and clearance of Forest Area for Construction of Mill Buildings etc. at Kalsur.

We have been requesting as far back as 1960 (Ref;Our letter dated 13th Dec. '60 addressed to the Secretary to the Govt. of Mysore, Agriculture & Forest Dept,Bangalore) and on several occasions thereafte that Six hundred acres of land be allotted to us, out of which 475 acres will be for the Mill Building, Godowns, Offices and other Civil Works required for the Industry and 125 acres for the residential quarters and Workers' Housing Colony. We have also requested that the entire area should be in one piece, otherwise, 475 acres in one piece and the remaining 125 acres in another piece, situated as adjacent as possible to the Mill area.

We now understand that you have recommended an area of 200 acres only to be cleared and handed over to us, and our Chief Engineer, Mr. J. Beuve, who has again gone through the whole details and plans, finds it impossible to fit in and work in this area, and he suggests that an area of at least 300 acres be handed over immediately, so that we may commence work by Wednesday next, 18th April, and clear the area ourselves, and have the material delivered to the Depot as directed by the D.F.O.

We would again stress that we cannot afford to allow any further time to be wasted, since it is already a year since the Six acres was handed over for the laying of the Foundation for this Factory, and much time has been wasted in clearing and handing over the areas, and awaiting instructions.

As we have to proceed with other formalities, we would like to complete this work within a couple of days, hence we request you kindly to recommend that 300 acres be handed over to us immediately, and that we be authorised to clear the same and deliver the material, at the fixed rate, to the various depots.

We once again request your immediate action in the matter.

Thanking you.

Yours faithfully,
for GREATER MYSORE RAYON-GRADE PULP & PAPER MILLS LTD.

(S.V.VISVANATHAN)
Managing Director.

Copy to:

1. The Chief Secretary,
   Government of Mysore,
   Bangalore.

2. The Deputy Secretary,
   Forest & Agriculture Dept.,
   Govt. of Mysore,
   Bangalore.

49 5

PROCEEDINGS OF THE GOVT. OF MYSORE.

Sub:- Releasing forest land measuring 200 acres in favour of the Greater Mysore Rayon Grade Pulp and Paper Mills Ltd, Kalsur, North Kanara Dt

ORDER NO. AFD 20 FAC 58 B'LORE DATED 27 APR 1962

ORDER.

1) Government direct that forest land measuring 200 acres at Kalsur in Yellapur Taluka in Eastern Division Kanara be cleared and leased out to the Greater Mysore Rayon Grade Pulp and Paper Mills Ltd., Kalsur, North Kanara Dt. on payment of an annual rent of Rs.80/- (Rupees eighty only) per acre subject to the condition that the Industry abides by such terms and conditions as may be prescribed by Government in the matter of giving concessions to the Industry ~~this behalf and also in connection with the establishment of the Greater Mysore Rayon Grade Pulp and Paper Mills Ltd. in that locality~~ and also subject to the Industry's giving an undertaking to the effect that they would abide by those terms and conditions as may ~~be prescribed by Government in that behalf.~~

*2) The area of 200 Acres should be handed over to the firm after two months after clearing the same from tree growth. The clearance operations should be done by the Forest Department.

3) The C.C.F. is requested to take immediate action accordingly and report the compliance to Government as early as possible.

By Order, etc.

Issued on 27 APR 1962

26/4/62 U/S to Govt. A&F Dept. 19.4.62

To-

The C.C.F. in Mysore, Bangalore.

The A.G. through F.D.

~~The Managing Director, Greater Mysore Rayon Grade Pulp and Paper Mills Ltd.~~

The W.G. (4 copies).

50

PROCEEDINGS OF THE GOVERNMENT OF MYSORE.

Subject:- Releasing forest land measuring 200 acres in favour of the Greater Mysore Rayon Grade Pulp and Paper Mills Ltd., Kaisur, North Kanara District.

AGRICULTURE & FOREST DEPARTMENT.

G.O.NO.[illegible] [illegible], BANGALORE, DATED, 27 APR 1962

ORDER

Government direct that forest lands measuring 200 acres at Kaisur in Yellapur Taluka in Eastern Division Kanara be cleared and leased out to the Greater Mysore Rayon Grade Pulp and Paper Mills Ltd., Kaisur, North Kanara District on payment of an annual rent of Rs.80/- (Rupees eighty only) per acre subject to the condition that the Industry abides by such terms and conditions as may be prescribed by Government in the matter of giving concessions to the Industry and also subject to the Industry's giving an undertaking to the effect that they would abide by these terms and conditions.

2. The area of 200 acres should be handed over to the firm within a period of two months after clearing the same from tree growth. The clearance operations should be done by the Forest Department.

3. The Chief Conservator of Forests is requested to take immediate action accordingly and report compliance to Government as early as possible.

By order and in the name of the Governor of Mysore,

J.S. Ramaiya
(J.S. Ramaiya)
Under Secretary to Government,
Agriculture & Forest Department.

To

The Chief Conservator of Forests in Mysore, Bangalore.
The Accountant General, Mysore, Bangalore [illegible]
[illegible]
The [illegible].

[illegible]

7 3)

51

in Mysore for further needful action in this regard.

Yr. F.

[illegible]

U. Secy.

P-1/CF. Copy to the CCF, w.r.t. L.O. No: AFD 20 FAC 58 dt. 27-4-62 for further necessary action.

[illegible]
27.4-62
[illegible] 27/4

52 (2) 6

Appendix F. G.—1]

SUBJECT P-1/CF.

Diary No. of letter replied to .....

Mysore Government Secretariat.

( )

the 195 .

Date of issue ..... 9 MAY 1962

Signed by .....

List of enclosures .....

Copied by .....

Examined by .....

Section

File No.

Serial No.

9 MAY 1962

No. AFD 20 FAC 58.

To

The Managing Director,
Karnataka Mysore Rayon-Grade
Pulp & Paper Mills Ltd.,
6-E, Brigade Road,
Bangalore-1.

Flag A.

Ref. your letter
No: Nil, dt. 6-4-62
addressed to the C.M. to
Govt. of Mysore.

I am directed to
state that orders have
since been passed for
the ~~sale~~ release of 200 acres of
Forest land at Kalsee
for your Factory.

You are requested therefore
to approach the CCF

PTO

the extraction, transport and delivery charges in lieu thereof at the rates fixed by Government.

6. However, in view of the above orders, I have asked the Divisional Forest Officer, Kanara Eastern Division, Dharwar, to clear the area and hand over the same after removal of all saleable materials by calling for rate auctions as expeditiously as possible.

Yours

(N.S.Kaikini)

Shri Y.C.Hombalayya,
I.A.S.,
Secretary to Government,
Agriculture & Forest Department,
Vidhana Soudha, Bangalore.

(48)

N.S.Kaikini, A.I.F.C.,
Chief Conservator of Forests

54

New Public Offices,
Bangalore-1

MYSORE GOVERNMENT SECRETARIAT
NO. 3326
2 MAY 1962
FOREST BRANCH

D.O.No.A2-(b)-96-2311/58 Dated/ 30th April, 1962

Dear Shri Hombalaiah,

AGRICULTURE & FOREST DEPT.
2 MAY 1962
GOVERNMENT OF MYSORE

Sub:- Releasing of forest land measuring 200 acres in favour of Greater Mysore Rayon Grade Pulp & Paper Mills Ltd.

Ref:- G.O.No.AFD-20-FAC-58 dated 27-4-1962.

Adverting to the above Government Order, I have to make it clear that it is always the practice of the Department to remove all the utilisable materials standing on the areas ordered to be released before the areas are handed over to the grantee. In this particular case, as the Mills urged for the release of an area of 6 acres in connection with the laying of the foundation stone of the Mills at Kalsur, Government were informed in this office letter of even No. dated 11-4-1961 that the clearance of the area could not be done by the Department in so short a time and hand over the cleared area (after removal of all produce) to the Mills before 30-4-1961. It was therefore recommended that the Firm be allowed to clear the area itself, deliver all the saleable materials at the place indicated by the Department and that for this work done by the Mills for the Department, the Mills be paid at the rates current in the area or adjoining area.

2. The area is a thick forest area and the removal of all saleable materials from the area proposed to be released to the Mills cannot at all be achieved within a period of two months as is envisaged in the above order. Normally, for clearance of such forest areas of not more than 60 acres in extent, a period of one year is allowed and at this rate, the Departmental clearing would take more than a year.

3. The area asked for by the Mills, vide its letter dated 11-9-1961 addressed to you is 300 acres inclusive of an area of 6 acres allowed to be cleared by it; such being the case, the area to be released, after clearance to this Mills, would be 294 acres and not 200 acres. In view of the position explained in my letter of even No. dated 31-10-1961, the Divisional Forest Officer had marked an area of 294 acres and it will be rather difficult to correctly decifer which 200 acres of this 294 acres is to be cleared and released now as per the orders contained in G.O. under reference.

4. So far as the Department is concerned, it has to* of all these formalities connected therewith takes much time and in any case, the work can never be achieved within a period of two months. This issue was more than once discussed in the meetings at Government level and it had been generally agreed to allow the Mills to clear the area on behalf of the Department and to pay the Mills for the work done.

*follow a certain prescribed procedure and finalise the tenders.

5. I have discussed this issue in great detail with you and the Minister for Forests and the Minister for Forests was agreeable to the stand taken up by the Department for entrusting the work to the Mills, who will work for the Department as Contractors and receive the

(P.T.O)

55 (10

Appendix F. G.—1]

SUBJECT P-4/CF.

Diary No. of letter replied to .....

Mysore Government Secretariat.

( )

the 195 .

Issued

9 MAY 1962

Date of issue.....

Signed by.....

I wish to inform you that it is necessary that the required formalities indicated in Para 4 of your D.O ~~may be~~ are gone into as expeditiously as possible without transgressing the rules so that the work may not be delayed. In this connection I would like to point out that what is possible ~~for a private contractor or firm~~ is equally possible to the dept, which is can ~~having~~ commander sufficient ment material to attend to the work. ~~If any special~~ Hence every effort may be made to give effect ~~to the orders of Govt and see that~~ action is taken thereon promptly.

List of enclosures .....

Copied by.....

Examined by .....

Section

File No.

Serial No.

No. AFD 20 FAC 56 (Supl).

To

The C.C.F.

Dear Sri Kaikini

Ref. your D.O. No: A2(L) 96-2311/58 dt. 30-4-62.

4/c

In ~~In an directed to~~ requesting you to expedite clearance of the 200 acres in question, of tree growth and ~~See th~~ to hand over the area to the Hills.

Y.F.

(YCH) 55.

Secy.

3/5/62

Copy to the D.F.O., Kanara, Eastern Div. Dharwar for necessary action as stipulated above.

3/5/62

3/5

WD 04696—GPB—PZS—8000,000—22-3-60

GOVERNMENT OF MYSORE

Y.C. Hombalayya, I.A.S.,
Secretary to Government,
Agriculture and Forest Department.

VIDHANA SOUDHA,
BANGALORE-1.

D.O. No AFD 20 FAC 58 (Supl.)

Dear Sri Kaikini,

Sub:- Releasing of forest land measuring 200 acres in favour of Greater Mysore Rayon Grade Pulp & Paper Mills Ltd.

In requesting you to expedite clearance of the 200 acres in question of tree growth and to hand over the area to the Mills I wish to inform you that it is necessary that the required formalities indicated in para 4 of your D.O. are gone into as expeditiously as possible without transgressing the rules so that the work may not be delayed. In this connection I would like to point out that what is possible for a private Contractor or firm is equally possible to the Department which can command sufficient men and material to attend to the work. Hence every effort may be made to give effect to the orders of Government and see that action is taken thereon promptly;

Yours sincerely,

Sd/-
(Y.C. Hombalayya)

Shri N.S. Kaikini, B.Sc.,
A.I.F.C.,
Chief Conservator of Forests,
Bangalore.

Z 12

56

Copy to the Divisional Forest Officer, Kanara, Eastern Division, Dharwar for necessary action as stipulated above.

T.S. Ramaiya

(T.S. Ramaiya)
Under Secretary to Government,
Agriculture & Forest Department.

KTK/8

20 FAC 58 (Supl). 58 (11)(8)

Telegram: "RAYONPULP"

Telephone: Office: 71301 Residence: 70119

Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd.

S. V. Viswanathan,
MANAGING DIRECTOR

Registered Office
6-E, BRIGADE ROAD
BANGALORE-1

MYSORE GOVT. SECRETARIAT AGRL. & FOREST DEPT. (TAPPAL SECTION) No. 16 4 MAY 1962

Ref.

Date 3rd May 1962

MYSORE GOVERNMENT SECRETARIAT No. 3417 5 MAY 1962 FOREST BRANCH

The Secretary to the Govt. of Mysore
Agriculture & Forest Dept.,
Bangalore.

Dear Sir,

Releasing of forest land measuring 200 acres for Factory at Kalsur, N.K.District.

We acknowledge with thanks receipt of your letter Ref:AFD 20 FAC 58 dated 2nd May 1962, and whilst we greatly appreciate and thank your goodself for the information contained therein that "orders have been passed for the release of 200 acres of Forest Land at Kalsur for our factory", we would like to point out, (as per our letter dated 16th April 1962 addressed to the Minister for Forest & Agriculture with copy to your goodself), that on consultation with our Chief Engineer, Mr. J. Beuve, it will not be possible to work on the plans in this limited area, and would request that an area of at least 300 acres be handed over to us immediately, so that we may commence our work.

Further, we would state, that since the demarcation of 300 acres of Forest area at Kalsur has already been completed by the Divisional Forest Officer, E.D. Kanara, Dharwar, and the listing of trees has also been completed in that area, as per letter No.FOR/GEN/82 of 1961-62 dated 1st November '61 addressed to us by the Divisional Forest Officer, Kanara Eastern Dvn., Dharwar, both unnecessary expenditure and delay would be involved in having the area demarcated again and cutting off the 100 acres from that already completed (300 acres). Besides, we intend cutting our bamboos during the next season, and will require space for storage, hence we request you once again, in order to avoid

Sm A

../..

59

any further delay, to kindly sanction and hand over to us the 300 acres already demarcated.

We trust you will kindly take the above facts into consideration, and obtain orders for the release of 300 acres to us, so that we may make some progress without any further delay.

Thanking you for your kind and immediate attention.

Yours faithfully,
for GREATER MYSORE RAYON-GRADE PULP & PAPER MILLS L

(S.V.VISVANATHAN)
Managing Director.

60 13

Registered Office:
6-E, Brigade Road,
BANGALORE - 1.

16th April, 1962.

The Minister for Forest & Agriculture,
Government of Mysore,
Bangalore - 1.

Dear Sir,

Handing over and clearance of Forest area for Construction of Mill Buildings etc. at Kalsur.

We have been requesting as far back as 1960 (Ref:Our letter dated 13th Dec., '60 addressed to the Secretary to the Govt. of Mysore, Agriculture and Forest Dept., Bangalore) and on several occasions there after that Six hundred acres of land be allotted to us, out of which 475 acres will be for the Mill Building, Godowns, Offices and other Civil works required for the Industry and 125 acres for the residential quarters and Worker's Housing colony. We have also requested that the entire area should be in one piece, otherwise, 475 acres in one piece and the remaining 125 acres in another piece, situated as adjacent as possible to the Mill area.

We now understand that you have recommended an area of 200 acres only to be cleared and handed over to us, and our Chief Engineer, Mr. J.Beuve, who has again gone through the whole details and plans, finds it impossible to fit in and work in this area, and he suggests that an area of at least 300 acres be handed over immediately, so that we may commence work by Wednesday next, 18th April, and clear the area ourselves, and have the material delivered to the Depot as directed by the D.F.O.

We would again stress that we cannot afford to allow any further time to be wasted, since it is already a year since the Six acres was handed over for the laying of the Foundation for this Factory, and much time has been wasted in clearing and handing over the areas, and awaiting instructions.

As we have to proceed with other formalities, we would like to complete this work within a couple of days, hence we request you kindly to recommend that 300 acres be handed over to us immediately and that we be authorised to clear the same and deliver the material, at the fixed rate, to the various depots.

We once again request your immediate action in the matter.

Thanking you,

Yours faithfully,
for GREATER MYSORE RAYON GRADE PULP & PAPER MILLS LTD:

(S.V. VISVANATHAN)
Managing Director.

Copy to:
1) The Chief Secretary,
Government of Mysore,
Bangalore.

2) The Deputy Secretary,
Forest & Agriculture Department,
Government of Mysore,
Bangalore.

TRUE COPY

61

(14

Subject - Demarcation of area at Kalsur in North Kanara District.

No. FOR/GEN/82 of 1961-62
Dharwar, Dated OCTOBER, 61
1st November.

To

The Managing Director,
Greater Mysore Rayon-Grade Pulp &
Paper Mills Limited,
Brigade Road,
Bangalore - 1.

Sir,

Reference:- Your letter dated 24-10-1961.

---

2. I have to inform you that demarcation of 300 acres of Forest area at Kalsur has been completed by this office Forest Surveyor; but the listing of trees standing in the area is going on and necessary intimation in this connection will be given to you in due course. As regards the sanction of logging rates further orders in this connection are awaited from the higher authorities.

Yours faithfully,

(Sd/- G.R. Mavinkurve)
DIVISIONAL FOREST OFFICER,
KANARA EASTERN, DHARWAR.

/ COPY /

62-15

N.S.Kaikini, A.I.F.C.,
Chief Conservator of Forests

NEW PUBLIC OFFICES,
BANGALORE-1

D.O.No.A2-(b)-96-2311/58 Dated/ 14th May, 1962

MYSORE GOVT. SECRETARIAT * AGRL. & FOREST DEPT. (TAY) SECTION * No. 21 19 MAY 196

Dear Shri Hombalayya,

Sub:- Releasing of Forest Land measuring 200 acres in favour of Greater Mysore Rayon Grade Pulp Paper Mills Ltd.

Ref:- Your D.O.No.AFD-20-FAC-58(Suppl) dt.9-5-1962

..

This Department gets the work done through Contracto agency only. What I suggested was the choice of the Contractor and nothing more. If the Firm to whom the area is handed over were our Contractor, then the question of time limit would not be a headache. The Firm would be responsible for clearing the area according to its requirements.

Yours

(N.S.Kaikini)

MYSORE GOVERNMENT SECRETARIAT NO.3749 21 MAY 1962 FOREST BRANCH

Shri Y.C.Hombalayya, I.A.S.,
Secretary to Government,
Agriculture & Forest Department,
Vidhana Soudha, BANGALORE-1.

Telegrams: "RAYONPULP"
Telephones: OFFICE : 71301
RESIDENCE: 70119

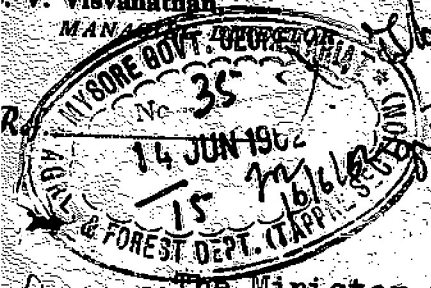
Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd.

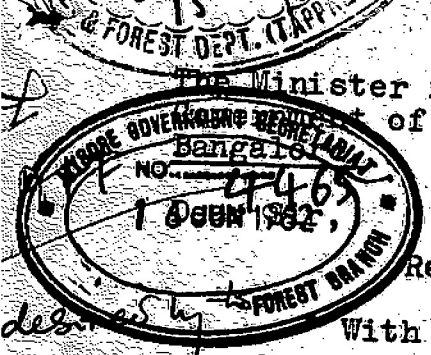
V. Viswanathan,
MANAGING DIRECTOR.

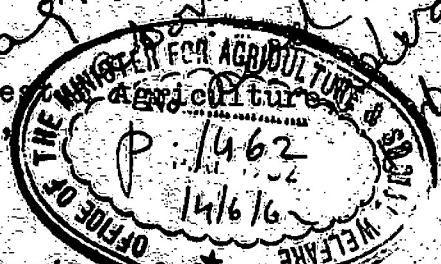
Registered Office:
6/2, BRIGADE ROAD,
BANGALORE-1.

Ref.

Date 28th May 1962.







The Minister for Forest, Agriculture
Government of Mysore,
Bangalore.

Ref: Releasing of forest land at Kalsur, N.Kanara Dt.

With further reference to our letter of 3rd May 1962, we beg to state that we have not received any communication from your goodself with regard to the 300 acres, though you were kind enough to state that you would issue orders in this connection.

Since time is going fast, and the monsoon is expected very soon, I shall be personally grateful if you will kindly give instructions to hand over the area, and also authorise clearance by us, so that we will be able to work during the monsoon also, and so maintain our schedule. I have been accused all round that I have not been making any progress, however, since I don't want to write a lengthy letter and explain again in detail, I trust you will agree that the delay lies at State Govt. level. Although I have been the pioneer in this industry, and my subject is a settled one as far as my Company is concerned, with regard to supply of raw material, water, power etc. which was finalised, except for the execution of the agreement, the draft of which also has been prepared, the underwriters, L.I.C. and I.F.C., and the State Bank of India are all awaiting finalisation of the agreement, to which I request you to kindly give top priority. The public do not understand my real difficulties, hence I bring it to your notice, and would state that there is no point in considering granting concessions to people who have not got even technical know-how and foreign exchange, nor raw material. However, I am not interested in discussing about other people's subjects as I am very much interested in my own scheme alone, and I am pretty confident by the

Grace of God that I will be able to maintain my schedule. Being a local man, I only stress once again, that the Government should encourage local people rather than outsiders.

I trust you will very kindly give necessary instructions to the Department to finalise my agreement, the draft of which was finalised as far back as January 1960, and is still lying with the Govt., and issue orders for releasing the area requested for by me.

Thanking you for your kind attention, and early action.

Yours faithfully,
for GREATER MYSORE RAYON-GRADE PULP & PAPER MILLS LTD:

(S.V.VISVANATHAN)
Managing Director.

Copy to: Sri S. Nijalingappa,
President, M.P.C.C.,
Bangalore.

19

64

in accordance with the ~~agree~~ terms & conditions mutually agreed upon and also ~~make~~ pay to the Forest Deptt. lease amount on the three hundred acres in advance.

Y/F

U/S.

Copy to the CCF in Myson, Bangalore for taking further action in the matter early.

U/S

[illegible]
23/6
3
23/6

65 18 ~~17~~

Appendix F. G.—1]

SUBJECT Releasing of forest land at Kalsur, N. Kanara Dt.

Diary No. of letter replied to .....

Mysore Government Secretariat,

( )

the 195 .

Date of issue.....

Signed by.....

List of enclosures .....

Copied by.....

Examined by .....

Section

File No.

Serial No.

No. AFD 20 FAC 58

To

The Managing Director,
Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd.,
6-E, Brigade Road, Bangalore-1

Sir,

I am directed to refer to your letter dated the 28th May, 1962 addressed to the Minister for Forest & Agriculture and to state that orders of Govt. releasing 300 acres of forest land at Kalsur in North Kanara Dist in connection with the establishment of Pulp & Paper Mills has been issued to the CCF in Mysore, Bangalore.

I am to request you to take steps to execute an agreement early

Pco

WD 04696—GPB—PZS—8.00.000—22-3-60

66 20 15

M. G. S. App. F VI—G. 2

SUBJECT Release of forest land to Greater Mysore Rayon Grade Pulp and Paper Mills Ltd. Bangalore — Release of additional one hundred acres — Ordered.

AFD 20 FAC 58

27 JUN 1962

Diary No. of letter replied to.....

Section

Serial No.

File No.

Mysore Government Secretariat

( )

the 195 .

Issued

Date of issue 27 JUN 1962 195 .

P1/(a)/CF

Signed by.....

Proceedings of the Government of Mysore

P-5/CF ~~AFD 20 FAC 58 dated 10.4.61~~

Read—G.O. NO. AFD 20 FAC 58 dated the 27th April 1962.

ORDER

In the G.O. dated 27.4.1962 sanction was accorded to the release of 200 acres of forest lands at Kalsur in Yellapur Taluka in Eastern Division Kanara in favour of Greater Mysore Rayon Grade Pulp and Paper Mills Ltd., Bangalore in connection with the establishment of the Mills. It has been represented that this area of 200 acres already sanctioned is inadequate and that in order to meet the requirements of the proposed Mill an additional area of 100 acres is required. After considering the requirements of the firm, Govt. accept the request of the firm.

Govt. direct that additional/

P.T.O.

May this be—

(i) printed?

(ii) treated as a Standing Order?

(iii) published in the Gazette, English Part?

(iv) translated?

(v) placed at the disposal of the Press?

(vi) published in the Gazette, Kannada Part?

~~46~~ 21

67

forest land measuring one hundred acres be released in favour of Greater Mysore Rayon Grade Pulp & Paper Mills Ltd., Kalsur, North Kanara Dist in the same locality and on the same terms and conditions as laid down in G.O. No. AFD 20 FAC 58 dated 27.4.1962 — P(a)1/CF

The CCF is requested to take further action in the matter and to hand over the entire area of 300 acres inclusive of six acres which had been ordered to be released in G.L.f. dated 27th April 1961 to the firm as early as possible and after getting the agreement executed.

No. AFD 207 AC 58 1961

Bo etc.

23/6/62

u/s

23/6

To
The CCF
The AG, Mysore, Bangalore
The WG

23/6 3 23/6

List of Enclosures.

Copied by

Examined by

22

68 | 17

PROCEEDINGS OF THE GOVERNMENT OF MYSORE.

Subject:- Lease of forest land to Greater Mysore Rayon Grade Pulp and Paper Mills Ltd., Bangalore - Release of additional one hundred acres - Ordered -

AGRICULTURE & FOREST DEPARTMENT.

G.O.No.AFD 20 FAC 58, BANGALORE, DATED, 27 JUN 1962

Read:-

1/CF

1. Government Order No.AFD 20 FAC 58, dated the 27th April 1962.

ORDER

In the Government Order dated the 27th April 1962 sanction was accorded to the release of 300 acres of forest lands at Kalsur in Yellapur Taluka in Eastern Division, Kanara, in favour of Greater Mysore Rayon Grade Pulp and Paper Mills Ltd., Bangalore in connection with the establishment of the Mills. It has been represented that this area of 300 acres already sanctioned is inadequate and that in order to meet the requirements of the proposed Mill an additional area of 100 acres is required. After considering the requirements of the firm, Government accept the request of the firm.

2. Government direct that additional forest land measuring one hundred acres be released in favour of Greater Mysore Rayon Grade Pulp and Paper Mills Ltd., Kalsur, North Kanara District in the same locality and on the same terms and conditions as laid down in Government Order No.AFD 20 FAC 58, dated the 27th April 1962.

3. The Chief Conservator of Forests is requested to take further action in the matter and to hand over the entire area of 300 acres, inclusive of six acres which had been ordered to be released in Government Letter No.AFD 20 FAC 58, dated the 27th April 1961, to the firm as early as possible and after getting the agreement executed.

By order and in the name of the
Governor of Mysore,

J.S. Ramaiya
(T.S. Ramaiya)
Under Secretary to Government,
Agriculture & Forest Department.

The Chief Conservator of Forests in Mysore, Bangalore,
The Accountant General, Mysore, Bangalore,
The Weekly Gazette.

Copy to the Managing Director, Greater Mysore Rayon Grade Pulp and Paper Mills Ltd., 6-E, Brigade Road, Bangalore-1.

Telegrams: "RAYONPULP"

69 / 23 (18

Telephones: Office : 71301
Residence : 70119

Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd.

S. V. Visvanathan,
MANAGING DIRECTOR.

Registered Office:
6-E, BRIGADE ROAD,
BANGALORE-1.

MYSORE GOVERNMENT SECRETARIAT
No. 4930
3 - JUL 1962
FOREST BRANCH

Ref. SECRETARIAT
15
30 JUN
FOREST DEPT (SECTION)

Date 28th June, 19 62

The Secretary to the Government of Mysore,
Agriculture and Forest Department,
BANGALORE.

30/VI/62

Dear Sir,

Lease of Forest Land to the Company.

We beg to acknowledge with thanks receipt of Proceedings of the Government of Mysore, G.O.No.AFD.20 FAC 58 dated 27th June 1962, sanctioning release of three hundred acres inclusive of six acres already handed over to the Company.

Thanking you once again,

Yours faithfully,
for GREATER MYSORE RAYON GRADE PULP & PAPER MILLS LTD:

(S. V. Visvanathan)
Managing Director

gap/-

Urgent.

To 25

[Appendix F. G.—1]

SUBJECT P-1/C.F.

Diary No. of letter replied to .....

Mysore Government Secretariat.

( )

the 195 .

Issued

13 JUL 1962

Date of issue.....

Signed by.....

List of enclosures .....

Copied by.....

Examined by .....

Section

File No.

Serial No.

No. AFD 20 FAC 5-8 13 JUL 1962

To

The C.C.F.

Ref. G.O. No: AFD 20 FAC 5-8 dt. 27-6-62.

I am directed to request you to intimate whether M/S Mysore Rayon Pulp & Paper Mills Ltd have paid the amount of rent for 300 acres, ordered to be released vide G.O. AFD 20 FAC 5-8 dt. 27-6-62 and also whether Co. has paid the amount so far.

P.T.O.

26

~~the amount of rent may be recovered now~~ Same

~~and the Govt. informed of the result of action taken in this respect.~~

An ~~early~~ immediate reply is requested.

Y. F.

[signature]

U. Secy.

[signature]
12-7-62

N.S.Kaikini, A.I.F.C.,
Chief Conservator of Forests

NEW PUBLIC OFFICES,
BANGALORE-1

D.O.No.A2-(b)-96-2311/58 Dated/ 19th July, 1962

Dear Sainthy,

Sub:- Releasing forest land in favour of M/S Greater Mysore Rayon Grade Pulp & Paper Mills, Ltd., Kalsur, North Kanara District.

Ref:- i) G.O.AFD-20-FAC-58 dated 27-4-1962
ii) G.O.AFD-20-FAC-58 dated 27-6-1962
iii) My letter of even No. dated 30-4-1962/1-5-1962

Anent to the discussions you had with me on the above issue to-day, I detail hereunder the position :-

i) Government in their order dated 27-4-1962 while ordering the release of 200 acres specified that the area should be cleared of all growth within two months and thereafter handed over to the above industry.

ii) In their second order dated 27-6-1962, it has been specified that the area to be released would be 300 acres (inclusive of the six acres originally allowed) instead of 200 acres and that the area, after clearance of the growth standing thereon, should be handed over to the firm as early as possible and after getting the agreement executed.

iii) I have repeatedly pointed out how it would be very difficult to take up and complete the work departmentally within so short a time, vide my letter of even No. dated 30-4-1962/1-5-1962.

iv) Yesterday, I have learnt from the Divisional Forest Officer, Kanara Eastern Division, Dharwar over the phone that he had submitted the draft Tender Notification for approval by the Conservator of Forests, Belgaum. The Conservator of Forests, Belgaum, who was here (on leave) at the time instructed the Divisional Forest Officer, Kanara Eastern Division that the Divisional Forest Officer may go ahead with the issue of the Notification and that in pursuance of the urgency pointed out by Government, the area be split into 4 to 6 convenient blocks and that action may be taken to call for tenders for logging work. Tenders for smaller areas give room for many contractors coming forward and generally the progress in the work will not be gradual giving room for extension of time, etc.

v) I should like to point out again that apart from the rainy season which covers one season, one more season is normally allowed for the contractors for clearance of the areas once worked out under logging system, i.e. one year all-told and that it would not be normally possible to work out fully these unlogged areas within this minimum period.

vi) Granting that the contractors are fixed up for convenient blocks, apart from clearfelling, they will have to fell, prepare, transport and give delivery of all the materials as per specifications. All these formalities cannot be hurried through.

(P.T.O)

vii) As the entire idea of Government appears to be to clear the area at the earliest possible time and hand over the same to the Company, it would be best, to allow the Company itself to work out the area subject to the condition that all materials are prepared and handed over as is required by the Department and that the charges for these works, at the reasonable rates to be fixed, may be paid to the Company. This proposal alone would, I feel, expedite the clearance of the area within a minimum period as the Company is itself very anxious to have the possession of the area.

viii) Orders of Government in the matter may be issued urgently. Regarding the recovery of ground rent @ Rs 80/- per acre per annum, the question of its recovery arises only from the date on which the cleared area is handed over.

ix) In this connection, I wish to invite your attention to correspondence resting with my letter of even No: dated 16-7-1962 and state that charges payable to the Company for having cleared the first six acres are still pending sanction by Government.

This is separately being worked upon file A7D11 7DP.62.

Yours

(N.S.Kaikini)

19/7.

Shri S.Santhi, I.A.S.,
Deputy Secretary to Government,
Agriculture & Forest Department,
Vidhana Soudha, Bangalore.

30)

74

delivery of timber etc., removed from the area proposed to be released to the above Mills, and the date fixed for receipt of tenders is 9-8-1962.

4. In view of the discussions held on 26-7-1962, the Divisional Forest Officer, will not have to receive the tenders for logging work on 9-8-1962 as notified.

5. I request, the favour of orders in the matter urgently.

Yours faithfully,

(H. C. Naikini) 2/8

CHIEF CONSERVATOR OF FORESTS.

1. Copy of the above is forwarded to the Deputy Secretary to Government, Agriculture and Forest Department, Bangalore, for information and needful action.

2. The Conservator of Forests, Belgaum.

3. The Divisional Forest Officer, Kanara Eastern Division, Dharwar.

20 FAC 58

(29

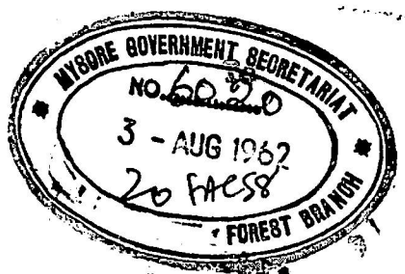
/IMMEDIATE/

No. A2(b)96-2311/58

CHIEF CONSERVATOR'S OFFICE,
Bangalore, dated 2 August 1962.

MYSORE GOVERNMENT SECRETARIAT
NO. 6020
3 - AUG 1962
20 FAC58
FOREST BRANCH

DEPUTY ... GOVT.
2543
2 - AUG 1962
AGRICULTURE ...



The Secretary to Government,
Agriculture and Forest Department,
B a n g a l o r e.

Sub:- Released of 300 acres of land to M/s. Greater Mysore Rayon Grade Pulp & Paper Mills, Ltd.

Ref:- G.O. No. AFD 20 FAC 58 dated 27-6-1962.

20/c

. . . .

The Divisional Forest Officer, Kanara Eastern Division, reports in his No. [illegible] 84 dated 27-7-1962 that during 1962-63, the marginally noted sub-blocks, which are adjoining to the above area of 294 acres (300 acres less 6 acres already cleared), are not sanctioned for logging kangari and that the rates and the approximate lead to Kirwatti Depot from these areas are as detailed under:-

Sl.No.	Area.	Rate per Khandy of 12-50 Cft. of round logs.	Lead.
(i)	C.B. 33 Yellapur range.	Rs. 15-70	14 1/2 miles.
(ii)	C.B. 34 -do- -do-	15-70	13 miles.

These rates are quite reasonable and acceptable.

Dft. letters to Co's put up. Await appl.

2/8

2/8/62

2. During the discussions held in the chambers of the Chief Minister on 26-7-1962, when, among others, the Minister for Forests, Minister for Industries, yourself and the Deputy Secretary to Government, Agriculture and Forest Department, were present, the Chief Minister indicated that the area may be handed over to the Mills themselves for taking up clearance and delivering the materials to the Forest Department, for which work, the Mills be paid at the sanctioned rates or the rates prevailing in the adjoining area. I have not yet received orders of Government in the matter.

Sri A

3. In pursuance of Government orders dated 27-4-1962 and 27-6-1962, the Divisional Forest Officer, Kanara Eastern Division, has called for tenders for extraction and delivery of

p.t.o.

77 31

/IMMEDIATE/

No.A2(b)96-2311/58 CHIEF CONSERVATOR'S OFFICE,
Bangalore, dated 2 August 1962.

To

The Secretary to Government,
Agriculture and Forest Department,
B a n g a l o r e.

Sir,

Sub:- Released of 300 acres of land to M/s. Greater Mysore Rayon Grade Pulp & Paper Mills, Ltd.

Ref:- G.O. No. AFD 20 FAC 58 dated 27-6-1962.

. . . .

The Divisional Forest Officer, Kanara Eastern Division, has reported in his No. EXP-FOR 84 dated 27-7-1962 that during 1962-63, the marginally noted sub-blocks, which are adjoining to the above area of 294 acres (300 acres less 6 acres already cleared), are now sanctioned for logging kamgari and that the rates and the approximate lead to Kirwatti Depot from these areas are as detailed under:-

Sl.No.	Area.	Rate per Khandy of 12-50 Cft. of round logs.	Lead.
(i)	S.B. 33 Yellapur Range.	Rs. 15-70	14 1/2 miles.
(ii)	S.B. 34 -do- -do-	15-70	13 miles.

These rates are quite reasonable and acceptable.

2. During the discussions held in the chambers of the Chief Minister on 26-7-1962, when, among others, the Minister for Forests, Minister for Industries, yourself and the Deputy Secretary to Government, Agriculture and Forest Department, were present, the Chief Minister indicated that the area may be handed over to the Mills themselves for taking up clearance and delivering the materials to the Forest Department, for which work, the Mills be paid at the sanctioned rates or the rates prevailing in the adjoining area. I have not yet received orders of Government in the matter.

3. In pursuance of Government orders dated 27-4-1962 and 27-6-1962, the Divisional Forest Officer, Kanara Eastern Division, has called for tenders for extraction and delivery of

p.t.o.

delivery of timber etc., removed from the area proposed to be released to the above Mills, and the date fixed for receipt of tenders is 9-8-1962.

4. In view of the discussions held on 26-7-1962, the Divisional Forest Officer, will not have to receive the tenders for logging work on 9-8-1962 as notified.

5. I request, the favour of orders in the matter urgently.

Yours faithfully,

N.S.Kaikini 2/8.

CHIEF CONSERVATOR OF FORESTS.

2/8/62

Immediate · 78 (32

Appendix F. G.—1]

SUBJECT P-29/CF.

Diary No. of letter replied to .....

Mysore Government Secretariat.

( )

the 195 .

Date of issue.....

Signed by.....

List of enclosures .....

Copied by.....

Copy to D.F.O. Kanara E.D

Examined by Sri Viswanatham

with reference to his letter dated 6th inst.

Section

File No.

Serial No.

No. AFD 20 FAC 58

To

The C.C.F. 29/C.

Ref. your letter No: ~~AFD 20~~ A2 (b) ~~FAC 5~~ 96-2311 f 58 d/2.8.62.

I am directed to request you to advise the DFO Kanara E.D. Cancel the tender notice issued ~~to defer the question~~ by him in time, pending reconsideration ~~of tenders for the~~ of a decision by Govt. as to the clearance of 300 acres of land which has been ear-marked ~~until further orders~~. for the Greater Mysore Rayon-Grade Pulp and Paper Mills Ltd

Y. F.

7/8/62

U. Secy.

6.8.62

WD 04696—GPB—PZS—8,00,000—22-3-60

Telegrams: "RAYONPULP"

Telephones: OFFICE : 71301
RESIDENCE : 70119

Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd.

S. V. Visvanathan,
MANAGING DIRECTOR.

Registered Office:
6-E, BRIGADE ROAD,
BANGALORE-1.

Ref._____ Date 6th August 19 62

MOST URGENT.

The Secretary to the Govt.of Mysore,
Agriculture & Forest Dept.,
Bangalore.

DEPUTY SECRETARY TO GOVT.
No. 2827
6 - AUG 1962
AGRICULTURE & FOREST DEPTT.

Dear Sir,

Re: Clearance of 300 acres at Yellapur.

With reference to my letter of the 1st August '62 addressed to the Hon'ble Minister for Forests, Govt. of Mysore, in connection with the above, I have just now received intimation from my Representative by telephone to say that the closing date for the tenders is on the 9th August'62 for the clearance of 300 acres.

I shall be grateful if you could very kindly advise the D.F.O., Kanara Eastern Division, Dharwar, immediately to cancel the tender notice, otherwise this will create a further delay in going through the process of finalising our clearance of the 300 acres.

I therefore once again request you to kindly give this matter immediate attention.

MYSORE GOVERNMENT SECRETARIAT
No. 1063
6 - AUG 1962
FOREST BRANCH

Thanking you for your kindness.

Yours faithfully,
for GREATER MYSORE RAYON-GRADE PULP & PAPER MILLS LTD:

(S.V.VISVANATHAN)
Managing Director.

80 134

Telegrams: "RAYONPULP"
Telephones: OFFICE : 71301
RESIDENCE : 70119

Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd.

S. V. Visvanathan,
MANAGING DIRECTOR.

Registered Office:
6-E, BRIGADE ROAD,
BANGALORE-1.

Ref._____ Date 1st August 19 62.

The Hon'ble Minister for Forests,
Government of Mysore,
Bangalore.

Dear Sir,

Re: Clearance of 300 acres at Yellapur.

May I invite your kind attention to the above subject. Just now I received intimation from my representative at Yellapur, stating that tenders have been called for the clearance of about 300 acres, for which the closing date is 9th August 1962. In view of your kind decision taken last week in the C.M's Chambers, that the clearance was to be done by my Company only for the area to be handed over to me, I shall be grateful if you will very kindly give necessary instructions to the Department concerned to cancel the tender notice, otherwise there will be a further delay in handing over the area to me.

I was very anxious to meet you in this connection, but since you have been extremely busy with a meeting, and I am leaving by the evening plane for Madras, to have a meeting with the Reserve Bank, I shall be grateful if you will very kindly pass an order cancelling the tender notice which has been published already.

Thanking you once again for your kindness and real support you have been extending.

Yours faithfully,
for GREATER MYSORE RAYON-GRADE PULP & PAPER MILLS LTD

S. V. Visvanathan

(S.V.VISVANATHAN)
Managing Director.

(COPY)

81
25

State Express Telegram.

D. F. O.
Kanara Eastern Div.
Dharwar.

AFD 20 FAC 50 (.) Reference Govt.
24/CF.
order No: even June Sixty two (.)

Cancel tender notice clearance of ~~300~~ 294 acres for ~~Kalsur~~ Rayon Factory - Kalsur.

AGRISEC.

(Not to be telegraphed)

AFD 20 FAC 58

8- AUG 1962

T. S. Ramyiah
U. Secy to Govt.

Memo No: AFD 20 FAC 58 .

D/ 8.8.62.

Copy by post in confirmation to:-

1. The D.F.O., Kanara Eastern Div. Dharwar.

Copy for information to:-

1. The C.C.F.
2. The C.F. Belgaum.
3. ~~Copy to Sri S.V. Vimahathan.~~

Issued
8/8/62

8.8.62

U. Secy.

31

92

STATE EXPRESS TELEGRAM

DIVISIONAL FOREST OFFICER
KANARA EASTERN DIVISION
DHARWAR

AFD 20 FAC 59 (.) REFERENCE GOVERNMENT ORDER NUMBER EVEN JUNE SIXTY TWO (.) CANCEL TENDER NOTICE CLEARANCE OF 294 ACRES FOR RAYON FACTORY KALSUR (.)

AGRISEC

(Not to be telegraphed)

T.S. Ramaiya
(T.S. Ramaiya)
Under Secretary to Government,
Agriculture & Forest Department.

29 93

STATE EXPRESS TELEGRAM

DIVISIONAL FOREST OFFICER
KANARA EASTERN DIVISION
DHARWAR

AFD 20 FAC 59 (.) REFERENCE GOVERNMENT ORDER NUMBER EVEN JUNE SIXTY TWO (.) CANCEL TENDER NOTICE CLEARANCE OF 204 ACRES FOR RAYON FACTORY KALLUR (.)

AGRISEC

(Not to be telegraphed)

(T.S. Sd/- Ramaiya)
Under Secretary to Government,
Agriculture & Forest Department.

Memo.No.AFD 20 FAC 58. Mysore Government Secretes
Vidhana Soudha,
Bangalore, Dated,

Copy by post in confirmation to:-

1. The Divisional Forest Officer, Kanara Eastern Divisi
Dharwar.

Copy for information to -

1. The Chief Conservator of Forests in Mysore, Bangalo
2. The Conservator of Forests, Belgaum.

T.S. Ramaiya
(T.S. Ramaiya)
Under Secretary to Government,
Agriculture & Forest Department.

Issued
KTK/8

39(a) 84

STATE EXPRESS TELEGRAM

DIVISIONAL FOREST OFFICER
KANARA EASTERN DIVISION
DHARWAR

AFD 20 FAC 58 (.) REFERENCE GOVERNMENT ORDER NUMBER EVEN JUNE SIXTY TWO (.) CANCEL TENDER NOTICE CLEARANCE OF 294 ACRES FOR RAYON FACTORY KALSUR (.)

AGRISEC

(Not to be telegraphed)

Sd/-
(T.S. Ramaiya)
Under Secretary to Government,
Agriculture & Forest Department.

Memo.No.AFD 20 FAC 58.

Mysore Government Secreta
Vidhana Soudha,
Bangalore, Dated,

Copy by post in confirmation to:-

1. The Divisional Forest Officer, Kanara Eastern Divis
Dharwar.

Copy for information to -

1. The Chief Conservator of Forests in Mysore, Bangalo
2. The Conservator of Forests, Belgaum.

T. S. Ramaiya
(T.S. Ramaiya)
Under Secretary to Government,
Agriculture & Forest Department.

KTK/8

85 40

GOVERNMENT OF MYSORE

[illegible] 20 FAC 58

Mysore Government Secretariat,
Agri. & Forest Department,
Bangalore, Dated 17 AUG 1962
18

The Secretary to the Government of Mysore,
Agriculture and Forest Department.

The Managing Director,
Greater Mysore Rayon Grade Pulp & Paper Mills Ltd.,
6.H. Brigade Road,
Bangalore-1.

Sir,

Sub: Rayon Grade Pulp Mill - concessions regarding establishment of - in Mysore State.

Please see correspondence resting with your letter dated 28-6-1962 on the above subject addressed to the Secretary to the Government of Mysore, Agriculture and Forest Department, and also please recall the discussions at the meeting held in the chambers of the Chief Minister on 26-7-1962 in this regard at which you were present.

I am directed to state that the various issues in this connection have been carefully examined by Government, and to convey to you the following decisions thereon:

A. Requirement of Bamboo: On the basis of the proposed manufacture of 100 tons of rayon per day for a working period of 330 days in the year, at the rate of 4 tons of bamboo for the production of 1 ton of rayon, your annual requirement of bamboo is placed at 1,32,000 tons. Government have, however, decided that, keeping in view the availability of the raw-material, the following areas with an annual estimated yield of 1,32,000 tons should be made available for the utilisation of the Company:

i)	Kanara Eastern Division High Forest Blocks XIII to XVIII, XXI to XXIII, XXVIII and Compts 32-A of Block XXVI.	1,00,000 tons
ii)	Yellapur - Manchikeri Sub Blocks 1 to 69	9,000 "
iii)	Gangavali Valley High Forest Blocks XII, XXIV, XXV	19,000 "
iv)	[illegible] Forest Block XXVII.	2,[illegible] "

As has been already made known to and accepted by you at the meeting held on 27-7-1962, this annual of raw material is, however, subject to ~~xxxxx~~ express condition that a quantity of 10,000 tons of bamboo per year will be earmarked out of this for public use Xxxx areas to be fixed by the Forest Department. For the balance of the requirement, subject to availability, the Company may make use of lops and tops of such wood other than bamboo as may be made over by Government within the areas specified above, at the rates quoted in para 2 A. Should there still be any deficiency in your requirement of raw-material, attempts will be made to make bamboo/lops and tops of wood available from the neighbouring forest areas, but no assurance can be given at this stage.

B. Land: As you are no doubt aware, vide Government Order No.AFD 20 FAC 58 dated 27-4-1962, the Company has been sanctioned an area of 300 acres of forest land, inclusive of the 6 acres already handed over to the Company, on lease basis for a period of 30 years. It was originally intended that the Forest Department should clear the lands for you and hand them over to you. At the meeting in the Chief Minister's Chambers on 26-7-1962, however, you represented that, in view of the urgency to make an urgent clearing of the area, instead of the Forest Department doing the clearance, in your own interest, you will yourself be able to undertake it, provided this was agreed to by Government. This question having been examined, Government are agreeable to your proposal, subject to the following conditions:-

(a) That all the timber and forest materials in this area are prepared and handed over to the Forest Department;

(b) That one year's lease rent at the rate of Rs.80/- per acre per year is deposited in advance;

(c) That the charges to be paid by Government to the Company for this purpose are fixed by the Chief Conservator of Forests on the basis of reasonable rates prevailing in the neighbouring areas for similar

87 42

(d) That the lease deed in respect of this area is executed by you in advance.

Release of Submergible area under the proposed Reservoir:

It is estimated that an area of 1,612 acres and 37 guntas would come under submergence by your proposed construction of a dam at your own cost across the Thandinala. This area consists of the following categories of land:-

		A - G	
1.	Forest area	1,417 - 8	1,421-12 (Forest)
2.	Strip area	4 - 4	
3.	Revenue Area	19 - 28	32-33 (Revenue)
4.	Kotha area	13 - 5	
5.	Balki area	158 - 32	Private lands
		1,612 - 37	

In regard to the item No.5 i.e., Private lands, you have agreed to negotiate directly with the parties and to purchase them. With regard to the Forest and Revenue lands, land will be released in favour of the Company for the purposes of the construction of the proposed dam subject to the following conditions:-

(a) That the Company delivers to the Forest Department all timber and other forest materials in this area duly prepared;

(b) That the Company pay to Government by way of compensation a rent of Rs.3/- per acre per year in respect of this area; and

(c) That the Company execute the lease-deed and also deposit one year's rent at the rate of Rs.3/- per acre per year in advance.

5. Rate for Bamboos: The normal rate of royalty for bamboo will be Rs.10/- per ton and in the initial stages for a period of 5 years from the date of first extraction, a concession rate of Rs.5 per ton of bamboo will be charged.

After the expiry of the period of first five years, the normal rate would operate and it would be levied either by [redacted] by enhancement as

For the first 5 years - Rs.5/- per ton of bamb
For the next 5 years. - Rs.10/- -do-
For the next 10 years - Rs.12.50 Np. -do-
For the next 10 years - Rs.15/- -do-

The Royalty will be for the quantity of bamboos drawn from the forests.

8. Rate for Logs and Tops: Royalty rates for ~~the~~ logs and tops will be as indicated below:-

For the first 10 years - Rs.4/- per ton.
For the next 10 years - Rs.6/- "
For the next 10 years - Rs.8/- "

9. Plantations: In order to ensure sustained supply of raw material, the Company will subject to availability, be given blank areas within the concession areas in Blocks each measuring not less than 100 acres for raising plantations at their cost. These areas will continue ~~to~~ to vest in the Forest Department. The Company will be given only the right to raise and protect the plantations making their own arrangements. The plantations so raised will be allowed to be extracted by the Company on payment of rent at the rate of Rs.20/- per annum per acre or Rs.5/- per ton of material extracted in these areas whichever may be preferred by the Company. These rates will be valid for and until the first crop ~~is~~ raised by the Company is harvested.

10. Registered Office: The concessions mentioned in the preceding paragraphs will be available to the Company only in the event of the Registered Office of the Company being located within the territorial limits of the Mysore State.

11. Electricity: Government have no objection if the Company make their own arrangements for the supply of electricity but these arrangements should be got approved by the Mysore State Electricity Board. If the Company want additional power, they should approach the Electricity Board in the matter through the respective Departments of Government.

I. Effluents: The Company will have to make adequate arrangements for the discharge of effluents to the entire satisfaction of the Director of Public Health.

J. Water Charges: Charges for water drawn by the Company will have to be fixed by further negotiation between you and Government in the Public Works and Electrity Department and Agriculture and Forest Department in view of the proposed construction of a dam at your own cost.

I am to request that these decisions be considered by the Company and their acceptance communicated to Government, so as to enable the issue of final orders and the concluding of final agreement between the Company and Government in the matter.

An early reply will be highly appreciated.

Yours faithfully,
Sd/-

(T.J. [illegible]),
Under Secretary to Government,
Agriculture and Forest Department.

Copy to the Chief Conservator of Forests in Mysore, Bangalore, for information.

J.S.Ramaiya
(J.S. RAMAIYA),
Under Secretary to Government,
Agriculture and Forest Department.

2

is as follows:--

46

90

"that the charges to be paid by Govt to the company for this purpose are fixed by the CCF on the basis of reasonable rates prevailing in the neighbouring areas for clearance of forest growth"

I am ∴ to request you to submit proposals to come regarding the terms and conditions under which the company has to be entrusted the clearance of forest growth.

A very early reply is requested in the matter.

Yours faithfully

[signature]
20/8/62

[signature]
Ran
20/8/62

To
The CCF (BY Trame)

45

91

Appendix F. G.—1]

SUBJECT.....

.....

.....

Diary No. of letter replied to .....

Mysore Government Secretariat.

( )

the *195* .

Date of issue.....

Signed by..... issued by 25/8

List of enclosures .....

Copied by.....

Examined by .....

Section

File No. 20 FAC 58

Serial No.

No.

To

Dear Shri . . . 40/c

Reference Govt letter No. AFD 20 FAC 58, dt 17/8/62 addressed to the Greater Mysore Rayon Grade Pulp & Paper Mills Ltd had copy endorsed to you.

Under ~~item~~ item B Land in the said letter it has been stated that the proposal of the Mills to clear the area granted to them has been agreed to ~~[illegible]~~ on the terms and conditions mentioned therein. One of the conditions laid down

1500

WD 04696—GPB—PZS—8,00,000—22-3-60

92 47

Telegrams: "RAYONPULP"

Telephones: OFFICE : 71301
RESIDENCE : 70632

Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd.

S. V. Visvanathan,
MANAGING DIRECTOR.

Registered Office:
6-E, BRIGADE ROAD,
BANGALORE-1.

Ref.

OFFICE OF THE MINISTER FOR FORESTS & FISHERIES
No. 2252
14 AUG 1962
BANGALORE

Date 11th August 1962.

S AAF
To Expedite

The Hon'ble Minister for Forests,
Government of Mysore,
Bangalore.

Dear Sir,

Re: Clearance of 300 acres at Yellapur.

BR 13/8/62

B. RACHAIAH,
Minister for Forests and Fisheries.

I thank you for the interview kindly accorded to me last evening (10-8-62) and your assurance that the authorisation for the clearance of the 300 acres of forest land at Yellapur, to be carried out by the Company, will be issued within the course of next week, for which we are greatly obliged.

We are making necessary arrangements to commence this clearance work immediately on receipt of your abovementioned communication, in order to keep to our schedule, and trust this may kindly be expedited.

Thanking you once again.

Yours faithfully,
for GREATER MYSORE RAYON-GRADE PULP & PAPER MILLS L

(S.V.VISVANATHAN)
Managing Director.

MYSORE GOVT. SECRETARIAT
AGRL. & FOREST DEPT. (TAPPAL SECTION)
7
17 AUG 1962

Sm A
18/8/62

MYSORE GOVERNMENT SECRETARIAT
NO. 6402
21 AUG 1962
20 FAC 58
FOREST BRANCH

20 FAC 58 (ii)

93 48

20th August 62.

The Secretary to the Govt. of Mysore,
Agriculture & Forest Department,
Bangalore.

Dear Sir,

Lr. No: 6443
Dt. 21-8-62

Rayon Grade Pulp Mill - Concessions regarding establishment of - in Mysore State.

We thank you for your letter NO.AFD 20 FAC 58 dated 17th August 1962, conveying your decisions on the various issues discussed at the meeting held in the chambers of the Chief Minister on 26-7-1962, for which we are greatly obliged.

A. Requirement of Bamboos:

We are grateful to the Government for making available to us the areas with an annual estimated yield of 1,32,300 tons, but there appears to be a slight error in the total which mentions 1,30,297 tons which we trust will be rectified. We also note that attempts will be made to make bamboo/lops and tops of wood available from the neighbouring forests areas, should there still be any deficiency in our requirement of raw material, without any further commitments, and we are thankful for this kind assurance. We therefore request you to kindly reserve for us all the areas which have not been committed so far.

B. Land:

a). We agree.

b). With regard to the land lease rental, we agree to pay this from the date of handing over to the Company, and since the clearance will be done by the Company, the deposit will become applicable after the clearance, which we trust you will agree.

c & d). We agree.

C. Release of Submergible area under the proposed Reservoir:

There is a slight error in the area mentioned, i.e. 1,612

acres, whereas we had requested the benign Government for 1625 acres for construction of Reservoir. We shall be grateful if you will kindly have this corrected.

Since this area is going to be submerged, and there is the Hydro Electric Project pending with the Government, such being the case, we trust the question of rent will not arise for this area. The Company will have to bear the huge cost of Construction of Reservoir and maintenance etc.,, and eighty percent of the water will go back to the river. However, since this subject was discussed at length in the chambers of the Chief Minister, that the Company will not be in a position to pay any rental, as a special case, the Company will agree to pay at the rate of 50 Np. (Fifty naya paise) per acre.

As the clearance of this area is also to be carried out by the Company, we request the order may kindly be issued in this connection, so that we may simultaneously with the 300 acres, clear these areas and deliver the material to the Forest Dept., and call for tenders for construction of Reservoir together with construction of the Mill Buildings.

We trust the charge for water will never arise, since we have accepted to pay the nominal rate for the land in the submersion area. As a matter of fact, this question was gone into very deeply before the Chief Minister, Forest Minister and other Ministers concerned, and the Chief Minister accepted that we should pay the nominal charge for water and land rental was not approved for this submersion area. However, since the Company is agreeable to pay a nominal charge for the submersion land, we trust the question of water charges will not arise.

D. Rate for Bamboos: We agree to the rate of royalty for bamboos.

E. Rate for Lops and Tops: We agree.

F. Plantations:

This question does not arise at present, but as soon as we go into production we will request the Government to finalise the matter with regard to plantations.

G. Registered Office:

The undersigned being a local man, and a Mysorean, the Registered Office of the Company will definitely be within the limits of the Mysore State (Bangalore). Hence this question will not arise as far as this

SD
95

Company is concerned.

H. Electricity: We agree.

I. Effluents: We agree.

J. Water Charges: Explained in para 'C' above.

We are grateful to the Government for the speedy decision taken, and in view of all that is stated above, we shall be very greatly obliged if final orders are issued, as we are very anxious to start our work and enter into the agreement with the Government in the matter.

Thanking you once again for early action.

Yours faithfully,
for GREATER MYSORE RAYON-GRADE PULP & PAPER MILLS LTD:

(S.V.VISVANATHAN)
Managing Director.

Telegrams: "RAYONPULP"

Telephones: Office : 71301
Residence : 70632

Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd.

S. V. Visvanathan,
MANAGING DIRECTOR.

Registered Office:
6-E, BRIGADE ROAD,
BANGALORE-1.

Ref. _____ Date 29th August 19 62.

MOST URGENT.

XXX

29/8/62

The Secretary to the Govt.of Mysore,
Agriculture & Forest Dept.,
Bangalore.

MYSORE GOVERNMENT SECRETARIAT
NO. 5712
29 AUG 1962
FOREST BRANCH

Dear Sir,

Rayon Grade Pulp Mill - Concessions regarding establishment of - in Mysore State.

In continuation of our letter dated 20th August '62, we would refer to para B (b) - Land, and would confirm that we agree to pay the rental charge for the 294 acres to be cleared by the Company at the rate of Rs.80/- per acre per annum. This area will be cleared in blocks of 50 acres each, and as and when each block is cleared, the rental amount for the 50 acres so cleared will be deposited into the Treasury, which we trust will be in order.

We have already arranged for the appointment of coolies to commence the clearance work, and we shall be grateful if you willkindly issue instructions for a letter authorising us to start work immediately to be forwarded to us.

Thanking you.

Yours faithfully,
for GREATER MYSORE RAYON-GRADE PULP & PAPER MILLS LTD.

S. V. Visvanathan

(S.V.VISVANATHAN)
Managing Director.

53)

94

etc at Kalsur, Kanara E.D. The area of 294 acres should be cleared in blocks of 100 acres each, ~~according~~ as per to the following phases, and the grant rent therefor @ Rs. 80/- per acre per annum should be paid to the Forest authorities in advance, as and when each block is cleared:—

No:	Area.	Amount of Advance Deposit.
I Phase.	100 acres.	Rs. 8,000-00.
II Phase.	100 "	Rs. 8,000-00.
III Phase.	94 "	Rs. 7,520-00

This Dept. may pl. be informed of the dates of starting the clearance work. ~~may pl. be in~~

Yr. F.

[illegible]

U. Secy.

[illegible] in continuation of this office letter dated 25th Aug 62

Copy to: ~~forwarded~~ w.r.t. the G.O. quoted above

~~Copy to~~ The C.C.F. for necessary action, after observing all the required formalities by way of agreement etc & deposits etc.

As regards the logging operations in the area of 294 acres, phase forward proposals based on the rates prevailing in the neighbouring areas for the standing trees as already called for.

2. The A.G.

3. The F.D (M.G.S) [illegible] for information

9.62

98/52

Appendix F. G.—1]

SUBJECT P-31/CF.

Diary No. of letter replied to

Mysore Government Secretariat,

( )

the 195 .

Issued

Date of issue 17 SEP 1962

Signed by

22/c

51/c

List of enclosures

Copied by

Examined by

Section

File No.

Serial No.

17 SEP 1962

No. AFD 20 FAC 58 (11).

To

The Managing Director,

G. M. R. G. P & P. M. Ltd

6-E, Brigade Road,

Bangalore.

Reference:

1) G.O. No: AFD 20 FAC 58 8/22-6

2) ~~Ref~~ Your letter

dated 29-8-1962

I am directed to sta

that Govt. are pleased

to ~~permit~~ authorise you to st

the work of clearin

the forest areas of

294 acres for your

proposed factory build

WD 04696 GPB PZS 8,00,000 22-3-60

GOVERNMENT OF MYSORE

92

No. AFD 20 FAC 58(11).

MYSORE GOVERNMENT SECRETARIAT,
VIDHANA SOUDHA,

Dated, Bangalore, 17 SEP 1962 196

FROM

The *Secretary to the Government of Mysore,*
Agriculture & Forest Department,
Bangalore.

To

The Managing Director,
Greater Mysore Rayon Grade Pulp and Paper Mills Ltd.,
6-2, Brigade Road, Bangalore.

Sir,

Subject:- Release of 294 acres of land to M/s. Greater Mysore Rayon Grade Pulp and Paper Mills, Ltd.
22/cf.

Reference:- 1. Government Order No.AFD 20 FAC 58, dt.27-6-1962.
2. Your letter dated 29th August 1962.

I am directed to state that Government are pleased to authorise you to start the work of clearing the forest area of 294 acres for your proposed factory building etc. at Kalsur, Kanara Eastern Division. The area of 294 acres should be cleared in blocks of 100 acres each, as per the following phases, and the ~~yearly~~ ground rent therefor @ Rs.30/- per acre per annum should be paid to the Forest authorities in advance, as and when each block is cleared.

No.	Area.	Amount of Advance Deposit.
I Phase	100 acres	Rs.3,000-00.
II Phase	100 acres	Rs.3,000-00.
III Phase	94 acres.	Rs.7,520-00

This Department may please be informed of the date of starting the clearance work.

Yours faithfully,

Sd/-

(T.S. Ramaiya)
Under Secretary to Government,
Agriculture & Forest Department.

Copy to:-

1. The Chief Conservator of Forests with reference to the Government Order quoted above and in continuation of this office letter dated 25th August 1962 for necessary action, after observing all the required formalities by way of agreement, deposits etc. As regards the logging operations in the area of 294 acres, please forward proposals based on the rates prevailing in the neighbouring areas for the standing trees as already called for.
2. The Accountant General, Mysore, Bangalore, } for information.
3. The Finance Department(M.G.S.), Bangalore. }
4. The Commerce & Industries Deptt., (M.G.S.) }
Bangalore.

J.S. Ramaiya
(T.S. Ramaiya)
Under Secretary to Government,
Agriculture & Forest Department.

ATM/17

This is the copy of the original.
The original sent to the
CCF(Eg), Bangalore, under
G.L. No. AFD 25 FDP 72
dt - - - -6-73

101 55

Copy of the letter dated 21st Sept. 1962 from the Managing Director, Greater Mysore Ragon Grade Pulp and Paper Mills Ltd., 6-E, Brigade Road, Bangalore-1 addressed to the Secretary to the Government of Mysore, Agriculture & Forest Department, Bangalore.

Rayon Grade Pulp Mill - Concessions regarding establishment of - in Mysore State.

We are extremely grateful for the communication No. AFD 29 FAC 58(ii) dated 17th September 1962 received from the Under Secretary to Government Agriculture & Forest Department authorising us to start the work of clearing the forest area of 294 acres for our proposed factory building at Kalsur, Kanara Eastern Dvn. However, we wish to bring to your kind notice that on contacting the Chief Conservator of Forests in this connection, to our surprise we were informed that unless and until the agreement is finalised he is not in a position to authorise us to commence the clearance work, which will mean a further delay of about a month.

Seen by the Govt. D.N.P. 7411 21-9-62 Forest Branch

As already mentioned to your goodself, we have recruited the necessary labour for this work, and they are idling for the last month hence we shall be highly grateful if you will very kindly issue necessary instructions to the Chief Conservator of Forests, to authorise us to start the work in anticipation of the finalisation of rates etc. etc. and in this connection we are also prepared to give an undertaking that we will abide by any further conditions that may arise in future in this regard.

At any cost we must commence our work on Monday 24th, hence we request you once again to very kindly pass an order immediately to enable us to proceed with the clearance.

Thanking you,

Yours faithfully,
for GREATER MYSORE RAYON-GRADE PULP & PAPER MILLS LTD.

Sd/....
(S.V. Viswanathan)
MANAGING DIRECTOR

True copy
13/6/23
Section Officer
A.F. Dept. I.L.G.S.

RR.

Copy to:
The Chief Conservator of Forests,
Govt of Mysore, Bangalore, for information

(P.T.O.

other formalities.

Y. F.

U. Secy.

Copy to the Managing Director, G.M.R.G. P & P. Mills Ltd, 6-E, Brigade Road, Bangalore, w.r.t. above for information.

Inst
22.9.62

Appendix F. G.—1]

SUBJECT P-54/EF.

Diary No. of letter replied to .....

Mysore Government Secretariat,

( )

the 195 .

Date of issue.....

Signed by.....

54/c

5:/c.

List of enclosures .....

Copied by.....

Examined by .....

Section

File No.

Serial No.

No. AFD 20 FAC 58 (ii).

To

The C.C.F.

Reference:

1. G.O. of even No: dt: 17.9.62

2. Letter dt: 21-4-62 from M/S G.M.R.G.P & P. Mills

I am directed to request you to authorise M/S G.M.R.G.P & P. Mills Ltd. to start the clearance of the forest area of 294 acres, pending finalisation of agreement, and.

PTO

58)

finalisation of agreement etc. after taking the necessary deposits as indicated in Govt. letter cited above ~~and if necessary~~ by taking an indemnity bond also to safeguard the interest of Government.

if you feel there will be any delay in finalising the deal,

The action taken in this behalf may be intimated to Govt.

Yours faithfully,

U.S.,A. & F.Deptt.

Copy to the M.G., G.M.R.G.P. & P. Mills, Ltd. with 6-B, Brigade Road, Bangalore, with a request to approach the C.C.F. for further action.

U.S., A. & F.D.

Draft.

No.AFD 20 FAC 58(ii). Dt.

To

The C.C.F., Bangalore.

Sir,

Sub:- Release of 294 acres of land to M/s. Greater Mysore Rayon Grade Pulp and Paper Mills Ltd., -

I am directed to invite reference to Govt. letter of even number dated 17-9-1962 addressed to the Managing Director, G.M.R.G.P. & P. Mills, Ltd. and copied to you wherein you had been requested to take necessary further action for clearance of the forest area indicated therein after observing all the required formalities by way of agreement, deposits etc. In this connection I would like to request you to send up your proposals which have been called for in this office letter dated 25-8-1962 regarding the rates to be fixed for the logging contracts as early as possible so that necessary agreement may be got from the party quickly.

The company in its letter dated 21-9-1962 addressed to Govt. and copy sent to you have stated the reasons as to why they want clearance work to be started urgently and has sought orders for permitting them to take up this work pending finalisation of rates etc. They have also stated that they are prepared to give any undertaking and that they will abide by any further condition which may arise in future in this regard. In view of the urgency I am directed to request you to permit the Company to take necessary action for clearance of the forest area allotted to them pending

59 106

Office of the
Chief Conservator of Forests
in Mysore, Bangalore,

No. A2(b)96-2311/58

Dated 21 Sept. 1962.

To

The Secretary to Government,
Agriculture & Forest Department,
Vidhana Soudha, Bangalore.

LIBRARY * MYSORE GOVT. SECRETARIAT * BANGALORE
3
22 SEP

Sir,

Sub:- Rayon Grade Pulp Mill - Concessions regarding establishment of - in Mysore State.

Ref:- 45/CF---
D.O. letter No. AFD 20 FAC 58 dated 25th August 1962 of the Under Secretary to Govt.

XXX

JB 22/9/62

It has been decided to allow M/s Greater Mysore Rayon Grade Pulp and Paper Mills Ltd., to take up clearance of the balance of 294 acres (area required by them for their Rayon Plant) subject to the conditions detailed therein vide Government letter No. AFD 20 FAC 58 dated 17-8-1962.

2. As the timbers is to be prepared and extracted ~~prepared~~ as per departmental specifications, and delivered duly stacked at the depots, the following rates are proposed to be paid for the under-mentioned works to be done by the Mills on behalf of the Department.

3. All materials are to be duly prepared and delivered duly stacked at Kirwatti Depot in Kanara Eastern Division.

(a) Timber logs: Depot and Non-depot specifications:

MYSORE GOVERNMENT SECRETARIAT
NO. 1429
22 SEP 1962
FOREST BRANCH

Rs. 11.50 per Khandy of 12.50 cft. of round logs.
Rs. 2.00 per khandy of 12.50 cft. extra in respect of ~~Sq.~~ Square logs
Rs. 2.00 per khandy of 12.50 cft. extra for trimming.
Rs. 0.50 per khandy of 12.50 cft. extra for debarking.

In case of logs over 20' in length extra payment of 10% over contracted rate for logs of all categories viz. Round, Squared and Trimmed for the entire volume of logs.

(b) Teak Mill pieces, Scantling pieces, ~~Junglewood~~, Junglewood pieces and Junglewood sleeper pieces:

Rs. 11.50 per khandy of 12.50 cft. for respective volumes.

(c) Matchwoods:

Rs. 11.50 per khandy of 12.50 cft. with 10% deduction in volume as bark allowance.

(d) Poles:

I	Class	Rs. 3.00 each.
II	Class	Rs. 2.00 each
III	Class	Rs. 1.00 each.

In addition to the above rates, Rupee 1.00 per pole for lengths between 24' to 30', Rs. 2.00 per pole over 30' in I Class and Rupee 1.00 for poles over 24' in II Class will be paid extra.

(e)

(e) Firewood: Firewood should be delivered duly stacked. Stacked 100 Cft. by volume = one ton (13½' x 1½' x 3'. at Rs. 11.00 at Hunsettikoppa Depot.

(f) For clearfelling: Rs. 50.00 per acre.

(g) Bamboo cutting: All the bamboo removed by the contractor for his industry should be charged at the rates prescribed by Government. In case the contractor does not require the bamboo just at present, it should be sold out at permit rates.

N.B: This area adjoins sub Block 33 and 34. These blocks have been given out on tenders. The rates now proposed are almost on par with those of these blocks and if anything are more favourable to Government.

4. The Depot specification of the material will be as under:-

(a) Logs

(i) Teak: 8' and up in length and 42" and up in mid-girth in the round only a strip of bark at mid-girth being removed for measurement. Badly fluted logs or logs with curvature need only be squared if they give a squared log of 42" midgirth. Not more than 3" wane will be allowed.

(ii) Sissum: 8' and up in length and 42" and up in midgirth in the round trimmed down to hertwood.

(iii) Junglewood i.e. Mathi, Kindal, Nana, Honne, Karimuttal, Heddi, Kalam, Dhaman and other species:

10' and up in length and 48" and up in midgirth in the round. Badly fluted logs or log with curvature need only be squared if they yield squared logs of minimum of 48" midgirth. Not more than 3" wane will be allowed.

(iv) Matchwoods: Sawar, Gulmavu, Raldhup and Mango 7' and up in length and not less than 33" in the middle, 30" at the taper end and not more than 120" at the butt end in girth over bark. Logs should be green, sound, cylindrical freshly cut and with bark on. Material should be converted and delivered at the prescribed depot within 15 days after the trees are felled.

(v) Softwoods of species other than the one shown at (i) to (iv) above:

10' and up in length and 48" and up in midgirth in the round. Badly fluted logs or logs with curvature need only be squared if they can yield squared log of minimum of 48" midgirth. Not more than 3" wane will be allowed.

(b) Mill pieces:

(i) Teak: 4½' and up in length and 33" and up at the thin end over bark. All teak pieces should be over 7' as far as possible.

(ii) Junglewood: Sissum, Honne, Mathi, Kindal, Nana, Heddi and Jamba and other species as directed by the Divisional Forest Officer from time to time.

Contd.3

V8 | 61

6' and up in length and 33" and up at the thin end over bark.

(iii) Beams: (11.50 cft)

	length	girth at but end.	girth at top end.
	16' & up.	36" to 42"	14"

(iv) Teak

Scantlings. 4½' and up in length and 24" to under 33" in girth at the thin end over bark.

(v) Rafters:

Species	Class.	Length.	girth at butt end.	girth at top end.	Cft.
Teak) Sissum)	I	12' and up	24" to under 36"	12"	4.50
Mathi)	II	-do-	18" to under 24"	9"	2.25
Kindal &) Jamba)	III	-do-	12" to under 18"	-	0.75

Teak transmission pole:

	Length of pole.		Girth.	
	Minimum.	Maximum.	Top.	Bottom
(i)	24'	26'	14"-15"	21" - 23"
(ii)	27'	30'	16"-17"	23" - 25"
(iii)	31'	35'	16"-17"	25" - 27"
(iv)	36'	40'	22"	36"

5. The non-Depot specification of saleable material will be as under:-

	Length.	Midgirth.	Volume.
Teak	2' and over	48" and over	1 cft per Rft.
	2' and over	33" to 48"	0.7 cft. per Rft.
	2' and over	18" to 33"	0.3 cft per Rft.
Sissum	2' and over	33" to 48"	0.7 cft per Rft.
Karimuttal	2' & over	18" to under 33"	0.3 cft per Rft.

Junglewood:

Mathi, Nana, Kindal Dhaman, Honne, Kalam and such other species as directed by the D.F.O. from time to time.	6' and up	48" & up	1.00 cft. per Rft.
	6' and up	26" to under 48"	0.7 Cft per Rft.
Heddi	3' and up	33" and up.	0.7 cft per Rft.

Firewood excluding Teak and Sissum species.

Contd. 4

109/62

Firewood:	Length.	Midgirth.	Stack ton by volume
After preparing Depot specification material and non-depot specification material, firewood is to be prepared.	not more than 3'	Not more than 6" girth.	13½'x2½'x3'.

5. Apart from the above, there are the usual conditions which any contractor will have to abide by in so far as they relate to the protection and working of the area as contained in the standard agreement form.

6. I request the favour of sanction of the above rates for the several works indicated. As the Mills are pressing the Department for being allowed to take up the clearance of the area, immediate orders are requested.

Yours faithfully,

W.S. Hamilton

Chief Conservator of Forests.

24/9/62

24/9.

64

rates obtaining in the adjoining forest blocks. 110

Govt. are pleased to sanction the following rates for the logging work to be done in 294 acres of Ft. land at Kalsu by the Com. M/s G.M.R.G. P&P. Mills Ltd for felling, conversion transport etc as per specifications of the Timber Depot Kirwatti :—

~~Particulars of Timber~~ ~~Rates~~ ~~RS. N.P.~~

a) Timber logs — Depot & Non Depot specifications.

Rs. 11.50 per Khandy of 12.50 cft of round logs.
" 2.00 " " " " " extra in respect of square logs.
" 2.00 " " " " " extra for trimming
" 0.50 " " " " " extra for debarking

In case of logs over 20' in length, extra payment of 10 o/o over contracted rate for logs of all categories viz round, square, and trimmed for the entire volume of logs is allowed.

b). Teak mill pieces, scantling pieces, jungle-wood pieces & jungle-wood sleeper pieces:

Rs. 11.50 per khandy of 12.50 cft for respective volumes.

PTO.

11/63

Subject:- Clearing of Forest area of 294 acres for the Factory Building etc of M/S Greaves Mysore Rayon Grade Pulp & Paper Mills Ltd at Kalsoor — payment of logging charges to the Company.

G.O. No: AFD 20 FAC 56 (ii) Dt: 31.10.62

Read:

22/CF. 1. G.O. No: AFD 20 FAC 56 dt: 22-6-62.

56/C 2. G.O. No: AFD 20 FAC 56 (ii) dt: 17-9-62.

59/C. 3. Letter No: A2(b) 96-2311/56 dt: 21.9.62 from the C.C.F.

In the G.O. read above, orders were passed for handing over 294 acres of Forest land at Kalsoor to M/S Greaves Mysore Rayon Grade Pulp & Paper Mills Ltd after clearing the area of tree growth. Since the realisation of handing over the land is urgent, the Forest Department is not in a position to undertake the clearance operations. It is decided that the timber material in the area should be removed by the aforesaid Company and delivered at the Timber Depot, Kiruvalli. The C.C.F. has proposed payment of charges to the Company on this account, at the

PTO

c) Matchwoods:

Rs. 11.50 per khandy of 12.50 cft. with 10% ~~for rejection~~ deduction in volume as bark allowance.

d) Poles:

I Class – Rs. 3.00 each.

II " – Rs. 2.00 "

III " – Rs. 1.00 "

In addition to the above rates, Re. 1.00 per Pole for lengths between 24' to 30', Rs. 2.00 per pole over 30' in I Class and Re. 1.00 for poles over 24' in II Class is allowed extra.

e) Firewood

Rs. 11-00 per 100 cft stacked (i.e one ton). The firewood should be delivered stacked at Hunsekikoppa Depot.

f) Clear felling.

Rs. 50.00 per acre.

g) Bamboos:

All the bamboos removed by the Company for their industry should be charged at the rates, prescribed by Govt. In case the Company do not require

PTO

6-B

113

the bamboo just at present, it should be sold out at permit rates.

By order ....

[signature]

U. Secy.

1. The C.C.F.

2. The A.G (thro' F.D).

3. The M.D, M/S G.M.R. G.P & P Mills Ltd, 6-E, Brigade Road, Bangalore.

4. The W.G.

[signature]
24-9-62

68) The D.F.P. was asked however subsequently to cancel the tender ~~dated 8-8-62~~ 35/CF. notice vide ~~the~~ memo of even No. dt. 6-8-62. immediate

An ~~early~~ reply is requested.

114

Y. F.

Jn

U. Secy.

Jn H.
19-10-62

2 Copies pl. 115 (67

Appendix F. G.—1]

SUBJECT P- 59/CF

Immediate

Diary No. of letter replied to .....

Mysore Government Secretariat.

( )

the 195

Issued

Date of issue 19 OCT 1962

Signed by.....

in respect of the logging work to be done in 294 acres to be given to the Company.

List of enclosures .....

Copied by.....

Examined by .....

Section

File No.

Serial No.

No. AFD 20 FAC 58 (11) 19 OCT 1962

To

The C. C. F. 59/CF

Ref. your letter No. A2 (b) 96-2311/58 dt. 21-9-62.

I am directed to request you to indicate the rates obtaining in Sub-Blocks 33 and 34 adjoining the areas to be given to M/S G. M. R. G. P & P Mills Ltd. Also please furnish the rate details of rates that were received against the tender notice issued by the DFR. Kanara E.D. ~~who was subsequently asked to cancel the which tender notice through vide this Dept. was~~ 35/CF. ~~memo of even No.~~

PTO

WD 04696—GPB—PZS—8,00,000—22-3-60

16/69

Immediate. GOVERNMENT OF MYSORE

No. AFD 20 FAC 58 (ii).

MYSORE GOVERNMENT SECRETARIAT,
VIDHANA SOUDHA,

Dated, Bangalore 19 OCT. 1962 196

FROM

The *Secretary to the Government of Mysore,*
Agriculture & Forest Department,
Bangalore.

To

The Chief Conservator of Forests in
Mysore, Bangalore.

Sir,

Subject:- Rayon Grade Pulp Mill - Concessions regarding establishment of - in Mysore State.

Reference your letter No.A2(b)96-2311/58, dated the 21st September 1962.

I am directed to request you to indicate the rates obtaining in Sub-Blocks 33 and 34 adjoining the areas to be given to M/s. Greater Mysore Rayon Grade Pulp and Paper Mills Ltd. Also please furnish the details of rates that were received against the tender notice issued by the Divisional Forest Officer, K nara Eastern Division in respect of the logging work to be done in 294 acres to be given to the Company. The Divisional Forest Officer was asked however subsequently to cancel the tender notice vide memo of even number dated the 8th August 1962.

An immediate reply is requested.

Yours faithfully,

O/C JSR

(T.S.Ramaiya)
Under Secretary to Government,
Agriculture & Forest Department.

KTK/19

No. A2(B)-96-2311/58.

OFFICE OF THE
CHIEF CONSERVATOR OF FORESTS
IN MYSORE, BANGALORE

DATED, 21/10/1962.

To

The Secretary to Government
Agriculture and Forest Department
Bangalore.

Sir,

Subject:- Rayon Grade Pulp and Paper Mills - Concessions regarding establishment of - in Mysore State.

Ref:- Your No. AFD-20-FAC-58(ii) Dated, 19-10-1962.

During the year i.e. 1962-63, the following rates which were secured on tenders for the following Sub-Blocks adjoining the area of 294 acres, which is to be worked out by Messrs. Greater Mysore Rayon-Grade Pulp and Paper Mills Ltd., have been sanctioned for logging Kamgari work.

Area	Rate Per Khandy of 12·50 cft of Round logs Rs.	Lead from Depot
S.No. 33 of Yellapur Range	15-70	14½ Miles
S.No. 34 of Yellapur Range	15-70	13 Miles

2. Tenders are called for logging Kamgari works keeping only one item as variable and prescribing rates for other items in the Notifications issued by the Divisional Officers. The rates prescribed in the Notification and those ~~seemed~~ secured on tenders for the adjoining area as compared with the rates recommended by me in my letter of even No dated 21-9-62 are detailed below for perusel.

contd....2

118/71

Items.	Rates prescribed in the Notification and the tendered rate (accepted) for adjoining area.	Rates recommended.
a) Timber Round Logs.	Felling preparation and delivery (duly stacked) at Depot.	Felling, preparation and delivery (duly stacked) at Depot.
	Rs.15-70 per Khandy of 12.50 cft(Round Logs).	Rs.11-50 per Khandy of 12-50 cft Round Logs.
	Rs 2-00 extra Per Khandy for trimming.	Rs 2-00 extra per Khandy for trimming.
	Rs 2-00 extra per Khandy for squaring.	Rs 2-00 extra per Khandy for ~~trimming~~ squaring.
	Rs 0-50 nP extra Per Khandy for debarking	Rs 0-50nP extra for debarking.
	In case of logs over 20' in length, extra payment of 10% over contracted rate for logs of all categories viz Round, Squared and trimmed for entire volume of logs.	In case of logs over 20' in length, extra payment of 10% over contracted rate for logs of all categories in Round, squared and trimmed for entire volume of logs.
b) Teak Mill Pieces, Jungle Wood pieces and Jungle Wood sleeper pieces Scantlings & Posts.	Rs.15-70 oer Khandy of 12.50 cft.	Rs.11-50 per Khandy of 12.50 cft.
	The volume of Mill pieces scantlings & Posts (as per specifications) is reckoned as under:	The volume of Mill Pieces, Scantlings and Posts (as per specifications) is reckoned as under and payment is made accordingly.
	0.7 cft per Running Foot of Mill pieces.	
	0.3 cft -do- of Scantlings	0.7 cft per Running foot of Mill pieces.
	0.2 cft -do- Posts Payment is made on the above basis	0.3 cft -do- scantilings 0.2 cft -do- Posts.
c) Match Woods.	Rs.15-70 per Khandy of 12-50 cft with 10% deduction in volume as bark allowance.	Rs. 11-50 per Khandy of 12-50 cft with 10% deduction in volume as bark allowance.

P.T.O.

119 72

POLES	POLES.
First Class 6-00 each	Rs.3-00 per Pole First Class
Second Class 3-00 each	Rs. 2-00 per Pole Second Class.
Third Class 2-00 each	Rs. 1-00 per Pole Third Class.
In addition, for First Class Poles of lengths 24' to 30', Rupee on extra per pole over the above rate. for Poles (First Class) of lengths over 30'', Rupees 2-00 extra per pole over the above rate.	In addition, for First Class Poles of lengths 24' to 30', Rupee on extra per pole over the above rate. for Poles (First Class) of lengths over 30', Rupees 2-00 extra per Pole over the above rate.
Rupee 1-00 extra Per pole over the above rate for all Second Class Poles of lengths over 24'.	Rupee 1-00 extra per pole for Poles over 24' in length in Second Class.

e) FIRE WOOD:-

Collection and delivery duly stacked at the depot (stacks of 13½'X2½'x⅓=100cft) i.e. one ton)	Collection and delivery duly stacked at Hunsetti koppa Depot (stacks of 13½'X2½'x⅓=100 cft i.e. one ton)
Rs. 12-00 per ton of 100 stacked cft.	Rs.11-00 per ton of 100 stacked cft.

3. The notification issued was only for logging Kamgari work and the work of clearfelling of the area ~~would~~ have to be done only after the logging work was over. The rate of Rs 50-00 per acre is recommended as ~~It is ascertained that the rate of Rs.50-00 per acre for sanction in respect of clearfelling work in the rate in the Mobility~~ and is therefore reasonable. (1)

(1) against the rate of Rs 60-00 per acre recommended by the Dist Forest Officer in respect of the clearing work as not only marked trees but also shrubs, bamboo clumps etc will have to be cleared

4. From the details furnished above, it may be seen that the rates recommended by me in this office letter of even No. Dated 21-9-62 are more advantageous to Government than the rates obtained on tenders for the adjoining areas.

5. Very early orders are requested as the Mills are pressing for permission to proceed with the clearnce work in the area of 294 were allotted to the Mills Vide 60 AFD 20-FAC-58 Dated 17-8-1962.

Yours faithfully,

N. S. Kaikini 22/10

(NLS.KAIKINI.)
CHIEF CONSERVATOR OF FORESTS.

PROCEEDINGS OF THE GOVERNMENT OF MYSORE.

Subject:- Clearing of Forest area of 294 acres for the Factory Building etc. of M/s. Greater Mysore Rayon Grade Pulp and Paper Mills Ltd. at Kalsur - Payment of logging charges to the Company.

120

AGRICULTURE & FOREST DEPARTMENT.

G.O.No.AFD 20 FAC 58 (11), BANGALORE, DATED, 31 OCT 1962

Read:-

1. Government Order No.AFD 20 FAC 58, dated the 27th June 1962.

2. Government Letter No.AFD 20 FAC 58(11), dated the 17th September 1962.

3. Letter No.AE(b)26-2D11/58, dated the 21st September 1962 from the Chief Conservator of Forests in Mysore, Bangalore.

ORDER

In the Government Order read above, orders were passed for handing over 294 acres of Forest land at Kalsur, to M/s. Greater Mysore Rayon Grade Pulp and Paper Mills Ltd. after clearing the area of xxx tree xxxx growth. Since the matter of handing over the land is urgent, the Forest Department is not in a position to undertake the clearance operations. It is decided that the timber material in the area should be removed by the aforesaid company and delivered at the Timber Depot, Kirwatti. The Chief Conservator of Forests has proposed payment of charges to the Company on this account, at the rates obtaining in the adjoining Forest blocks.

2. Government are pleased to sanction the following rates for the logging work to be done in 294 acres of Forest land at Kalsur by M/s. Greater Mysore Rayon Grade Pulp and Paper Mills Ltd. for felling, conversion transport etc. as per specifications of the Timber Depot Kirwatti:-

a) Timber logs - Depot and Non Depot Specifications.

Rs.11.50 per Khandy of 12.50 cft of round logs.
Rs. 2.00 per khandy of 12.50 cft. of extra in respect of xxxxx square logs.
Rs. 3.00 per khandy of 12.50 cft. of extra for trimming.
Rs. 0.50 per khandy of 12.50 cft. of extra for debarking.

In case of logs over 20' in length, extra payment of 10% over contracted rate for logs of all categories viz. round, square, and trimmed for the entire volume of logs is allowed.

b) Teak mill pieces, scantling pieces, junglewood pieces and junglewood sleeper pieces:

Rs.11.50 per khandy of 12.50 cft. for respective volumes.

c) Kathwoods:

Rs.11.50 per khandy of 12.50 cft. with 10% deduction in volume as bark allowance.

R.....

d) Poles.

I Class	-	Rs.2.00 each.
II Class	-	Rs.2.00 each.
III Class	-	Re.1.00 each.

In addition to the above rates, Rs.1.00 per pole for lengths between 24' to 30', Rs.2.00 per pole over 30' in XX I Class and Re.1.00 for poles over 24' in II Class is allowed extra.

e) Firewood.

Rs.11-00 per 1/0 cft. stacked (i.e. one tonn)

The firewood should be delivered stacked at Hemrettikoppa Depot.

f) Clear felling.

Rs.50.00 per acre.

g) Bamboos.

All the bamboo removed by the Company for their industry should be charged at the rates, prescribed by Government. In case the Company do not require the bamboo just at present, it should be sold out at permit rates.

By order and in the name of the
Governor of Mysore,

J.S. Ramaiya
(T.S. Ramaiya)
Under Secretary to Government,
Agriculture & Forest Department.

To

The Chief Conservator of Forests in Mysore, Bangalore,
The Accountant General, Mysore, Bangalore (through the Finance Department),
The Managing Director, M/s. Greater Mysore Bayas Grade Pulp and Paper Mills, Ltd., 6-B, Brigade Road, Bangalore.
The Weekly Gazette.

FR/31

Telegrams: "RAYONPULP"

Telephones: OFFICE : 71301
RESIDENCE: ~~70119~~ 70632

Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd.

S. V. Visvanathan,
MANAGING DIRECTOR.

Registered Office:
6-E, BRIGADE ROAD,
BANGALORE-1.

75 122

Ref.

Date 22nd September 1962.

22 OCT 1962

URGENT.

The Secretary to the Govt.of Mysore,
Agriculture & Forest Dept.,
Bangalore.

XXX
22/10/62

Dear Sir,

Clearance of 294 acres of Forest land released for construction of Rayon Grade Pulp Mill at Kalsur, N.K.Dist.

Further to our letter of 21st Sept.1962, in connection with the above, with a view to facilitating expeditious execution of the clearance work, we request you kindly to have the agreement entered into personally with the Coy's Promoter, Founder and Managing Director - the undersigned - Sri S.V.Visvanathan and the Government, so that Sri Visvanathan may receive amounts from the Department and make disbursements in respect of the clearance work. Otherwise, if the Department were to make the payments to the Company (instead of to Sri S.V.Visvanathan), it will not be possible, within the provisions of the Companies Act, for Sri Visvanathan to cash cheques drawn in favour of the Coy.or to operate the Company's Bank and other Accounts of the Coy. until all floatation formalities are complied with, and the Certificate for Commencement of Business is obtained from the Registrar of Companies, which means considerable delay.

In order to obviate the above statutory difficulty and to quicken the pace of clearance work, we have proposed the above alternative that the Agreement be made in the personal name of Sri S.V.Visvanathan and cheques be drawn in favour of and made payable to him.

Incidentally, we may add that Sri S.V.Visvanathan, as Promoter and Founder of the Coy.has been financing the preliminary and other expenditure from inception to date, and it has already aggregated to significantly large amount.

We trust, your goodselves will appreciate the position and accede to the alternative proposal. In consideration whereof:

i). The undersigned holds himself entirely responsible and to render full account of the amounts received from the Department and disbursed on account of the aforesaid clearance work.

ii). To have the clearance work satisfactorily executed.

iii). To hand over to the Forest Department, fully prepared, all the timber and forest materials (other than Bamboos which will be handed over to the Company) in this area.

iv). To abide by Rates as may be fixed by the Mysore Government Chief Conservator of Forests for the clearance of the forest growth.

v). The Coy. shall abide by the terms and conditions of the Lease Agreement to be executed in due course, if pending execution of the Agreement, the clearance work is entrusted to Sri S.V.Visvanathan.

We request you kindly to accord your sanction to the above arrangement at your earliest convenience.

Thanking you for immediate action.

Yours faithfully,
for GREATER MYSORE RAYON-GRADE PULP & PAPER MILLS LTD:

S. V. Vis.

(S.V.VISVANATHAN)
Managing Director.

Copy to:

The Chief Conservator of Forests,
Govt.of Mysore,
Bangalore.

12/77 3

PROCEEDINGS OF THE GOVERNMENT OF MYSORE.

Subject:- Lease of forest land to Greater Mysore Rayon Grade Pulp and Paper Mills Ltd., Bangalore - Release of additional one hundred acres - Ordered.

AGRICULTURE & FOREST DEPARTMENT.

G.O.NO.AFD 20 FAC 58, BANGALORE, DT. 27th JUNE 1962.

Read:-

1. Government Order No.AFD 20 FAC 58, dated the 27th April 1962.

ORDER

In the Government Order dated the 27th April 1962 sanction was accorded to the release of 200 acres of forest lands at Kalsur in Yellapur Taluka in Eastern Division, Kanara, in favour of Greater Mysore Rayon Grade Pulp and Paper Mills Ltd., Bangalore ~~xx~~ in connection with the establishment of the Mills. It has been represented that this area of 200 acres already sanctioned is inadequate and that in order to meet the requirements of the proposed ~~Mills~~ an additional area of 100 acres is required. After ~~xxx~~ considering the requirements of the firm, Government accept the request of the firm.

2. Government direct that additional forest land measuring one hundred acres be released in favour of Greater Mysore Rayon Grade Pulp and Paper Mills, Ltd., Kalsur, North Kanara District in the ~~xxx~~ same locality and on the same terms and conditions as laid down in Government Order No.AFD 20 FAC 58, dated the 27th April 1962.

3. The Chief Conservator of Forests is requested to take further action in the matter and to hand over the entire area of 300 acres, inclusive of six acres which had been ordered to be released in Government Letter No.AFD 20 FAC 58, dated the 27th April 1961, to the firm as early as possible and after getting the agreement executed.

By order and in the name of the
Governor of Mysore,

Sd/-
(T.S.Ramaiya)
Under Secretary to Government,
Agriculture & Forest Department.

To

The Chief Conservator of Forests in Mysore, Bangalore,
The Accountant General, Mysore, Bangalore,
The Weekly Gazette.
Copy to the Managing Director, Greater Mysore Rayon Grade Pulp and Paper Mills Ltd., 6-E, Brigade Road, Bangalore

"Copy"
Init.
22.10.62.

Telegrams: "RAYONPULP"
Telephones: Office 71301
Residence 70119 70632

Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd.

S. V. Visvanathan,
MANAGING DIRECTOR.

Registered Office:
6-E, BRIGADE ROAD,
BANGALORE-1.

Ref. _____ Date 12th November 19 62.

The Secretary to the Govt.of Mysore,
Agriculture & Forest Dept.,
Bangalore.

Dear Sir,

Clearance of 294 acres of Forest land released for construction of Rayon Grade Pulp Mill at Kalsur, N.K.Dist.

Further to our letter of 22nd Sept. 1962, we regret to find that we have not so far received your consent to our Promoter and Managing Director, Sri S.V.Visvanathan, entering into an agreement with you for clearance of the leased area (294 acres), receiving monies and disbursing the same in his own personal name and on his own personal account. We further regret that in spite of our having expressed in that letter and several times personally, the urgency of the matter has not been appreciated with the result that progress of our work, which is already retarded owing to such delays, has been adversely affected.

However, we are obtaining the requisite authorisation from our Directors permitting the undersigned in his own personal name and account to enter into an Agreement with the State Govt. and receive and disburse monies. We enclose a copy of Directors' Circular Resolution dated 10th November 1962, according the aforesaid authorisation.

Meanwhile, we request you kindly to keep necessary documents ready for signature so that there may not be any further delay after submission to you of the Directors' authorisation.

Thanking you.

Yours faithfully,
for GREATER MYSORE RAYON-GRADE PULP & PAPER MILLS LTD.

(S.V.VISVANATHAN)
Managing Director.

MYSORE GOVERNMENT SECRETARIAT
NO. E 72 P
12 NOV 1962
Encl. FOREST DIVISION

126 79

Telegram "RAYONPULP" Telephones: Office : 71301
Residence : 70119 7963

Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd.

S. V. Visvanathan,
MANAGING DIRECTOR.

Registered Office:
6-E, BRIGADE ROAD,
BANGALORE-1.

Ref._____ Date 12th November 19 62.

Copy of Directors' Circular Resolution dated 10th November 1962.

Resolved that letter dated 22nd September 1962 addressed by the Managing Director, Sri S.V.Visvanathan to the Secretary to the Govt. of Mysore, Forest Department, Bangalore, requesting the State Govt. of Mysore to allow Sri S.V.Visvanathan to take up the clearance work of the leased forest area (294 acres) in his own personal name and on his personal account and collect monies and disburse the same, be and is hereby ratified and approval to the same be and is hereby accorded.

Further resolved that Sri S.V.Visvanathan be and is hereby authorised to enter into, in his own personal name and on his own personal account, an agreement with the State Govt. of Mysore for the clearance of the leased forest area, namely, two hundred and ninety four acres for construction of the Mill Buildings etc. at Kalsur Village, Yellapur taluk in North Kanara district.

Also Resolved that in pursuance to the aforesaid Agreement to be entered into by Sri S.V.Visvanathan with the Mysore Govt., he be and is hereby authorised to collect monies falling due under that agreement, and disburse the same - all in his own personal name and on his own personal account.

V.Narahari Rao

(V.Narahari Rao).
Director-Chairman.

I hereby certify that the above Circular Resolution was passed in accordance with Clause 120 (One hundred and twenty) of the Articles of Association of the Company, and section 289 of the Companies Act.

V.Narahari Rao

(V.Narahari Rao).
Director-Chairman.

127

logging work to be done, as per G.O. quoted above, in the forest area of 294 acres at Vellapur and also to draw cheques and receive payments for the logging work done by him, subject to the condition that Shri S.V. Vishwanathan executes an indemnity bond in this behalf. This arrangement will be in force till the date of Commence of business by the Company.

I am to request you therefore to take further action in the matter.

Y. F.

JR

U. Secy.

Recd. in letter S.V. Vishw. 28/11/62

1) The C. F. Belgaum.

2) the D. F. O. Kanara E. D. Dharwar.

3) The A. G., w. r. t. G.O. quoted above.

4) Shri S. V. Vishwanathan, M. D. & Promoter of the G. M. R. G. P & P Hills Ltd., w. r. t. his letter No: Nil, dt. 12-11-1962.

78/c.

In H.
28-11-62 3
28/4

7 Copies.

128 (60

Appendix F. G.—1]

SUBJECT P-73/CF.

Diary No. of letter replied to .....

Mysore Government Secretariat.

( )

the 195 .

Issued

Date of issue 28.NOV.1962

Signed by.....

List of enclosures .....

Copied by.....

Examined by .....

Section

File No.

Serial No.

No. AFD 20 FAC 58 (ii)

28 NOV 1962

To

The C. C. F.

Reference: 71/C

1. your letter No: A2(B)96-2311/58 dt: 22.10.62 73/C.
2. G.O. No: AFD 20 FAC 58 (ii), dt: 31-10-62.

I am directed by Govt. to state that Shri S.V. Viswanathan, Managing Director of and Promoter of the Greater Mysore Rayon Grade Pulp & Paper Mills Ltd. is authorised, ~~to enter~~ in his personal capacity, to enters into the agreement with the Forest Deptt in respect of the

81

129

GOVERNMENT OF MYSORE

NO.AFD 20 FAC 58(ii)

Mysore Government Secretariat,
Agri. & Forest Department,
Bangalore, Dated 28th Nov. 1962.

From

The Secretary to the Government of Mysore,
Agriculture and Forest Department.

To

The Chief Conservator of Forests
in Mysore, Bangalore.

Sir,

Sub: Clearing of Forest area of 294 acres for the Factory Building Etc., of M/s Greater Mysore Rayon Grade Pulp and Paper Mills Ltd., at Kalsur(Yellapur - Kanara E.D) - Payment of logging charges to the Company.

I am directed by Government to state that Shri S.V. Viswanathan, Managing Director and Promotor of the Greater Mysore Rayon Grade Pulp and Paper Mills Ltd., is authorised, in his personal capacity, to enter into the agreement with the Forest Department in respect of the logging work to be done, as per Government Order quoted above, in the forest area of 294 acres at Yellapur and also to draw cheques and receive payments for the logging work done by him, subject to the condition that Shri S.V. Viswanathan executes an indemnity bond in this behalf. This arrangement will be in force till the date of commencement of business by the Company.

I am to request you therefore to take further action in the matter.

Yours faithfully,

O/C. T.S. Ramaiya
(T.S. Ramaiya),
Under Secretary to Government,
Agriculture and Forest Department.

Copy forwarded to: — Intt.

~~1. The C.C.F.~~

1. The C.F. Belgaum.
2. The DFO Kanara E.D.
3. The A.G., w.r.t. to G.O. quoted above.
4. Shri S.V. Viswanathan, M.D & promoter of the G.M.R.G. P & P Mills Ltd, w.r.t. his letter No: Nil dt. 12.11.1962

OFFICE OF THE
ACCOUNTANT GENERAL, MYSORE.
BANGALORE.

No. FADII/ 508 Dated, Decr, 1962.

To

The Secretary to the Government of Mysore,
Agriculture and Forest Department,
Bangalore.

Sir,

Sub: Cleaning of Forest area of 294 acres for Factory Building of M/s Greater Mysore Rayon Grade and Paper Mills Ltd. at Kalsur.

--

With reference to your letter No.AFD 20 FAC 58(ii) dated 23-11-1962 addressed to Chief Conservator of Forest Bangalore and copied to this office. I am request you to kindly intimate the number and date of G.O. which is referred to in the letter.

Yours faithfully,

S. Subramanyam

Assistant Accounts Officer.

MYSORE GOVT. SECRETARIAT
No. 25
3 JAN 1963
AGR

MYSORE GOVERNMENT SECRETARIAT
NO. 116/55
4 JAN 1963
FOREST BRANCH

3/1/63

85

B1

Appendix F. G.—1]

SUBJECT P-62/cf.

Diary No. of letter replied to .....

Mysore Government Secretariat.

( ).

the Issued 195.

Date of issue 29 JAN 1963

Signed by .....

List of enclosures .....

Copied by .....

Examined by .....

Section

File No.

Serial No.

29 JAN 1963

No. AFD 20 FRE 58 (ii)

To Elavu

the A.G. 62/c.

Ref. your letter No: FAD II/508 dt: nil (recd. on 3.1.63).

I am directed to state that the G.O. which is to be referenced in this Dept. letter of even number dt: 28.11.62 is G.O. No: AFD 20 FRE 58 (ii) dt: 31.10.62, the reference was omitted in the F.C. of the letter. A copy of the letter dt:

(4) 28.11.63, duly referenced, is enclosed.

132

Y. F.

K. Secy.

El: one

Copy to the C.C.F., w.r.t. G.L. of even No: dt. 28.11.62 together with a copy of that letter, ~~dt. 28.11.6~~ duly referenced, for record.

Initt.
28.11.63.
225/1

QFD 20 FAL 58 (III)

83

183

No.A2(B)-96-2311/58. Chief Conservator's Office,
Encl: One. Bangalore, dated: 17 March, 1964.

To

The Secretary to Government,
Agriculture and Forest Department,
BANGALORE.

Sir,

PL/A

Sub: Clearance work in 294 acres.

Ref: This office letters of even No. dated 29-2-1964 and 5.3.1964.

.....

I enclose herewith a copy of reply dated 5.3.1964 received from M/s. Greater Mysore Rayon Grade Pulp and Paper Mills, Limited, Bangalore for your information. I feel that the clearance work in 1421 acres can only be entrusted to this company after it completes the work in 294 acres. The recovery of land rent on this 294 acres is held up for want of clearance of the area and consequent handing over of the area to the Company.

Yours faithfully,

CHIEF CONSERVATOR OF FORESTS.

Gs.17/3/64.

BY/66

GREATER MYSORE RAYON GRADE PULP AND PAPER MILLS LIMITED.

Registered Office
6-E, Brigade Road,
Bangalore-1

Date 5th March 1964.

Ref: .....

The Chief Conservator of Forests,
B A N G A L O R E.

Ref: A2(B)-96-2311/58 of 5.3.1964.

Dear Sir,

In respect of the clearance of 294 acres, the entire quantity of timber has been handed over to the department and a major portion of the firewood also. Except for bamboo here and there almost the entire portion of the trees has been felled. We were progressing with the work at a fast pace for quite some time, when suddenly unforeseen developments stifled it. Fortunately later developments have been encouraging and obstacles have been overcome. I am pleased to inform you that the entire area will be complete within a short time.

1421 Acres: For a long time this clearance was held up due to the delay on the part of the Government in sanctioning the workable logging rate. At long last they have sanctioned a rate which is suicidal as you know. In the larger interests of the industry which steals priority in all aspects of economic development, I had to appeal to the Government off and on to sanction a reasonable rate of exploitation so as to enthuse quickness, but all attempts just proved futile. I have now decided to go ahead with the work even if it involves huge losses, so that the greater work ahead does not suffer. The initial expences in such a case, where a big loss is a foregone conclusion, has necessarily to be huge, proportionate to the nature of the job involved. I am pleased to inform you that the pre arrangement for this work is now complete and the actual work of clearance can now be undertaken in the course of a few days. In the circumstances, I feel there is no need fo alarm on the part of the department to feel that the allot area will be left unutilised by us and unremunerative to you. Since there is no going back on a scheme like ours which has been finalised at all levels and for which even the financial crisis that strangled it in the wake of the emergency is being slowly overcome, we request your forbearance and active co-operation in furthering the progress of this industry.

I am pleased to inform you that I will be completing the work on 294 acres within the course of a few months and am prepared to take up the 1421 acres work immediately. In fact I am planning to employ a larger labourforce in order to complete the work quicker and in record time so that we could strive to stick to our schedule of implementation of our other ambitious plans.

I request you to take a soft view of the question and help us as you have always been, in undertaking and clearing the 1421 acres of allotted forest land, soon.

Yours faithfully,

FOR GREATER MYSORE RAYON GRADE PULP AND PAPER MILLS LIMITED,

Sd/-
S.V.Viswanathan.
Managing Director.

17.3.64

"COPY"

CONFIDENTIAL

15/89

GOVERNMENT OF MYSORE

No. AFD 20 FAC 58(11)

MYSORE GOVERNMENT SECRETARIAT,
VIDHANA SOUDHA,

Dated, Bangalore, 22/4/ 1964.

FROM

The *Secretary to the Government of Mysore,*
Agriculture and Forest Department.

To

The Chief Conservator of Forests
in Mysore, Bangalore.

Sir,

Sub: Clearance work in 294 acres.

Ref: Your letter No.A2(B)96-2311/58 dated 17-3-1964.

Government observe that if the Company(M/s Greater Mysore Royan Grade Pulp and Paper Mills Ltd) has delayed the clearance of forest areas, it should pay the ground rent from the date of order. The Company has not worked in right earnest with regard to the clearance of 294 acres and 1421 acres. Since there has not been proper progress either in clearing the forest areas of tree growth or in starting the work with regard to factory, Government are not in favour of entrusting any work to this Company. If you do not take proper action you will be personally held responsible for the losses.

Yours faithfully,

(T.S. Ramaiya),
Under Secretary to Government,
Agriculture and Forest Department.

88)

138

with regard to factory, Govt. are not in favour of entrusting any work to this Company. If you do not take proper action you will be personally held responsible for the losses.

Y. F.

MR

U. Secy.

MH.
10.4.64.
3
194

Appendix F. G.—1]

137 (87

SUBJECT ..... Page 85/CF .....

Confidential.

Diary No. of letter replied to.....

Mysore Government Secretariat.

( )

the 196.

Date of issue 22/4/64

Signed by.....

List of enclosures.....

Copied by.....

Examined by.....

Section

File No. AFD 20 FAC 58 (11)

Serial No.

N.

To

The C.C.F. 85/CF.

Ref. your letter No: H2(B) 96-2311/58 dated 17-3-64.

Govt. observe that if the Company (M/S G.M.R.G. P&P Mills Ltd) has delayed the clearance of forest areas, they it should pay the ground rent from the date of order. The company has not worked in right earnest with regard to the clearance of 294 acres and 1421 acres. Since there has not been proper progress either in clearing the forest areas of tree growth or in starting the work

WD 01216—GPB—4,00,000—7-3-63

P.T.O.

Appendix F. G.—1]

SUBJECT P-85/CF.

138

Diary No. of letter replied to .....

Mysore Government Secretariat.

( )

the 196 .

Date of issue.....

Signed by .....

ISSUED

Date 19.6.1964

List of enclosures.....

Copied by.....

Examined by.....

Section

File No.

Serial No.

No. AFD 20 FAC 58(iii)

To

The C.C.F.

Ref. your letter No: A2(B) 96-2311/58 dt. 17.3.64.

I am directed to request you to intimate whether any progress has been made by the Co. towards the clearance of 294 acres at Kalsur.

An early reply is requested.

Y. F.

U. Secy.

11.6.64.

WD 012116—GPB—4.00.000—7-3-63

Subject:- Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd request for lops & tops.

139

Mysore Government Secretariat

File No. AFD 20 FAC 58 (Supl) of 195

[App. F. III 2

Serial No.

D. No: 7741 — Letter dt: 17.8.60 from Sri S.V. Vishwanathan.

1. Sri Vishwanathan requests A&F.D to reserve the lops & tops, felled in the area allotted to the Greater Mysore Rayon-Grade Pulp & Paper Mills for the exploitation of bamboos.

2. The allotment of areas to the said Firm has not finalised as yet by the Committee (C&I). The final recommendations of the Committee are still awaited. The availability of lops & tops in the forests of N. Kanara & Kollegal-Mysore areas for the Firm may have to be ascertained from C.C.F. If approved, CCF may be asked for remarks on the request of the Firm.

3. Draft with F.C. is subd.

[signature]
19/8/60.

4. Issue [signature] 19/8

Draft issued on 19/8/60

[signature]

Note.—Contn. Sheet

140

File No. AFD 20 FAC 58 of 195.

Mysore Government Secretariat

Serial No.

7) Ref. Para 6/n. f. supra.

CCF has already been asked for remarks on the issue of lops & tops to M/S G. M. R-G. P & P Mills, vide Page 2/CF. CCF's reply may be awaited.

Int. 29/8/60. (8) For personal

3/8 (9) Remind

2/9

10) Ref. Para Supra.

Reminder I to CCF.

Int. 5/9/60. 3/6/9

Issue 6/9/60

Issued on 7.9.60

7/9

WD 04700—GPB—PZS—8 00 000—1958

Mysore Government Secretariat

File No. of 195 .

[App. F. III 2

141

752/9

Serial No.

5.

Note

The request of the Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd., is for supply of lops and tops of trees felled in the area to be allotted to the company for exploitation of bamboos. The main file dealing with the subject of reservation of areas for the Mills has been submitted separately. It may please be recalled that in that file it has been pointed out that apart from an assurance in general terms, the State Govt. has not committed itself to set apart any specific areas ~~a~~ for exploitation by the Mills. The questions of which areas are to be allotted, what should be the terms and conditions, what should be the rates of royalty, how do they compare with the rates of royalty offered by the other similar concerns, ~~where~~ whether any concessional rates are to be given etc., are still under examination and no definite decision has been arrived at. As far as supply of lops and tops are concerned, it will be recalled that there was a similar request from the West Coast Paper Mills Ltd., also and that request has been referred to the C.C.F. for remarks specifically on the points of terms and conditions and royalty rates. A reply from him is still awaited. In my opinion, it is too early to consider the request of G.M.R-G.P. & P. M. Ltd., for supply of lops and tops since even the question of earmarking the areas for them is not yet decided.

KG 24/8

D.S. to Govt.
A. & F. Dept.

AGRICULTURE & FOREST SECRETARY No. 1089 25 AUG 1960 GOVERNMENT OF MYSORE

MYSORE GOVERNMENT SECRETARIAT NO. 8075 29 AUG 1960 FOREST BRANCH

6.

Secretary, A. & F. The question of ear marking areas has been finalised by the Committee specially constituted for the purpose. The C.C.F may however be asked to send up a report

Note.—Contn. Sheet

142

File No. of 195 . Mysore Government Secretariat

Serial No.

Co no. FD(WS)

The file in question has been marked to the Secretary to Govt. S&I Dept for remarks on 15.6.1961

[signature] 29/6/61

[signature] 29/6/61

[signature] 6/7.

U/S (W)

AFD

U/S (Forest)

MYSORE GOVT. SECRETARIAT
No. 3715
6 JUL 1961
AGRL & FOREST DEPTT. (ANIMAL HUSBANDRY)

VD 04700—GPB—PZS—8,00,000—1958

Mysore Government Secretariat

File No. 20 FAC 58 of 195 (Supp. Part) [App. F. III 2

Serial No.	
	— P 1/Cf
1	Diary No. 5022 - Letter from the Managing Director Greater Mysore Rayon - Grade pulpt paper Mills Ltd.
	P 2/Cf
2.	Diary NO 5134 — D.O.L. NO. A2-(b) -96- 2311/58. from the CCF
3.	The Main file NO 20 FAC 58 has stands marked to D.S on 24/4/61 for action. The PA to DS may be requested to inform the further movement of the file to take further action in the matter.
	P.A to D/S. Agr 14/6/61. 15/6
	4 The main file AFD 20FAC58 was sent to Finance Department on 2-5-61 under our Diary NO. 1141/F.
	17/6/61 Supt. Forest)
	~~Please~~ Agriculture and Forests Dept (Forest)
	5. FD is requested to return with their remarks AFD main file bearing No. AFD 20 FAC 58 referred to them on 2-5-61.
	U.S. Forests 17661

DEPUTY SECRETARY TO GOVT. 1753/A 17 JUN 1961 AGRICULTURE & FOREST DEPTT.

FINANCE DEPARTMENT No. 20 JUN 1961 GOVERNMENT OF MYSORE

1769

15/6 Note.—Contn. Sheet

F.D.

Telegram: "RAYONPULP"

Telephone: OFFICE : 71801
RESIDENCE : 70119

Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd.

S. V. Viswanathan,
MANAGING DIRECTOR

6-E, BRIGADE ROAD
BANGALORE-1

Ref:

Date: 17th August 19 60

MYSORE GOVERNMENT SECRETARIAT NO. 2241 19 AUG 1960 FOREST BRANCH

DEPUTY SECRETARY TO GOVT. NO. 7119 18 AUG 1960 AGRICULTURE & FOREST DEPTT.

The Hon'ble Minister for Forests & Transport,
Government of Mysore,
Vidhana Soudha,
Bangalore.

Sir,

Rayon-Grade Pulp & Paper Mills - Starting of, and sanction of raw material from Mysore State Forests.

The bamboo in North Kanara District is flowering at a very fast rate and perhaps within a year or two, the whole of the bamboo will have flowered. This is likely to come in the way of the manufacture of rayon grade pulp and paper, and the fresh growth of bamboo may take ten to twelve years before it becomes mature for exploitation.

I am quite aware that the Government is viewing this problem very seriously and have directed the Forest Department to solve this problem. It is also learnt that the Forest Department is trying to create large scale plantations of Eucalyptus species and other species suitable for pulp and paper; but this would also take a considerable time of about ten years before these plantations would be due for cutting as a substitute for bamboo.

I have therefore to request you to be kind enough to reserve the lops and tops of trees felled in the area allotted to my Company for the exploitation of bamboos for the manufacture of Rayon grade Pulp and Paper.

Thanking you.

Yours faithfully,
for GREATER MYSORE RAYON-GRADE PULP & PAPER MILLS

(S.V.VISVANATHAN)
Managing Director.

Copy to:
The Secry.,Agriculture & Forest Dept.
The Secry.,Commerce & Industries Dept.
The Chief Conservator of Forests, Mysore State,

145 2

GOVERNMENT OF MYSORE

No AFD 20 FAC 58 (Supl.)

MYSORE GOVERNMENT SECRETARIAT,
VIDHANA SOUDHA,

Dated, Bangalore,. 19. August ...196 0.

FROM

The *Secretary to the Government of Mysore,*
Agriculture & Forest Department,
Bangalore.

To

The Chief Conservator of Forests in
Mysore, Bangalore.

Sir,

Subject:- Greater Mysore Rayon - Grade Pulp and Paper Mills Ltd. - request for ~~xxxx~~ lops and tops.

I am to invite reference to Shri S.V. Vishwanathan's endorsement letter of 17th August 1960 regarding the lops and tops to be reserved for his company, and request you to offer your remarks in the matter very early.

Yours faithfully,

19/8

(N. Choodappa)
Under Secretary to Government,
Agriculture & Forest Department.

KTK/19

Telegram: "RAYONPULP"

Telephone: Office: 71301
Residence: 70119

Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd.

S. V. Viswanathan,
MANAGING DIRECTOR

6-E, BRIGADE ROAD
BANGALORE-1

OFFICE OF THE MINISTER FOR FOREST & TRANSPORT
A-616
20 AUG 1960

Date 17th August 1960

AGRICULTURE & FOREST SECRETARY
20 AUG 1960
GOVERNMENT OF MYSORE

DEPUTY SECRETARY TO GOVT.
NO. 7529
24 AUG 1960
AGRICULTURE & FOREST DEPTT.

The Hon'ble Minister for Forests & Transport,
Government of Mysore,
Vidhana Soudha,
Bangalore.

Sir,

See Art 1 dismiss 2000 1918

Rayon-Grade Pulp & Paper Mills - Starting of, and sanction of raw material from Mysore State Forests.

The bamboo in North Kanara District is flowering at a very fast rate and perhaps within a year or two, the whole of the bamboo will have flowered. This is likely to come in the way of the manufacture of rayon grade pulp and paper, and the fresh growth of bamboo may take ten to twelve years before it becomes mature for exploitation.

I am quite aware that the Government is viewing this problem very seriously and have directed the Forest Department to solve this problem. It is also learnt that the Forest Department is trying to create large scale plantations of Eucalyptus species and other species suitable for pulp and paper; but this would also take a considerable time of about ten years before these plantations would be due for cutting as a substitute for bamboo.

I have therefore to request you to be kind enough to reserve the lops and tops of trees felled in the area allotted to my Company for the exploitation of bamboos for the manufacture of Rayon grade Pulp and Paper.

Thanking you.

Yours faithfully,
for GREATER MYSORE RAYON-GRADE PULP & PAPER MILLS

S.V.V.

(S.V.VISVANATHAN)
Managing Director.

Copy to:
The Secry., Agriculture & Forest Dept.
The Secry., Commerce & Industries Dept.
The Chief Conservator of Forests, Mysore State,

20 FNC 56

143

Telegram: "RAYONPULP"

Telephone: Office : 71301
Residence : 70119

Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd.

REGISTERED OFFICE:
6-E, BRIGADE ROAD,
BANGALORE-1.

S. V. Viswanathan,
MANAGING DIRECTOR

Secry forests

HSR 13/12

Ref. 13-261

Date 12th December 1961

H. S. RUDRAPPA,
Minister for Forests.

MYSORE GOVERNMENT SECRETARIAT
NO 11435
FOREST BRANCH

The Hon'ble Minister for Forests,
Government of Mysore,
Vidhana Soudha,
Bangalore. 1.

Dear Sir,

Rayon-grade Pulp - Concessions regarding establishment of a Mill in Mysore State.

With reference to the Meeting which took place in the Chambers of your goodself on Friday, 8th December '61, in the presence of the Secretaries of the Agriculture & Forest Dept., Commerce & Industries Dept., Finance Dept., and the Director of Commerce & Industries and the Chief Conservator of Forests, we write to thank you for the kindness in permitting the undersigned to explain the position with regard to the Raw Materials etc.

In this connection, we would once again point out that ever since we started this Industry early in 1958, when Mr.K.F. Patil was the Forest Minister, we had his assurance that sufficient raw material would be made available to us, and on that basis and assurance we had planned and furnished the information to our Foreign Collaborators to design the machinery. As explained to your goodself and other Members present, we made very rapid progress, and it is now next to impossible to consider allowing any reduction to be made in the bamboos to be used in our Industry. According to the statistics furnished by the State Govt.of Bombay and our benign Govt. of Mysore, the details are:

Bamboo resources of North Kanara excluding quantity earmarked for West Coast Paper Mills Ltd., Dandeli ...		1,68,397 tons
Less: i) for bonafide consumption of the public ...	20,000 tons.	
ii) for the Chip Board Plant to be set up by the Indian Plywood Mfg.Co, Dandeli	5,000 "	25,000 tons.
Balance quantity of bamboo available for utilisation by our Mills ...		1,43,397 tons

We have repeatedly pointed out at the various meetings and discussions at the Ministerial and Secretarial level that our requirements would be 1,60,000 tons, and on every occasion had been assured that a minimum of 1,48,000 tons would be reserved for us. Letter No.CI 45 SPP 59 of 5-9-59 from the Secry.to the Govt.of Mysore,Commerce & Industries Dept.also refers

It will also be seen from the copy of the letter dated 27th Oct.

'61 from the Chairman of Messrs. EMPACEL, Paris (our Foreign Collaborators) enclosed with our letter of 29th November '61, that they cannot be held responsible to give the required quantity of Dissolving Pulp if we are unable to supply the quantity of bamboo required, for which the machinery has been designed, to meet the expansion programme also, economically.

As we are now starting the biggest Industry of its kind in our State, we feel sure that your goodself, your Secretaries and other Members present will definitely consider and grant us our legitimate rights, as per the assurance given to us, and which we have repeatedly pointed out. Having assured us on all occasions that our raw material requirements would be met, we feel sure the Government will not refrain from allocating the areas and quantity of bamboos promised to my Company, also taking into consideration our expansion from 110 tons to 350 tons per day, as stated above.

Royalty:

As discussed, we request that the rate of Royalty may kindly be fixed at Rs.3/- (Three) for the next five to ten years.

We trust the above facts may kindly be given deep consideration, and the Agreement may be executed as early as possible.

Thanking you.

Yours faithfully,
for GREATER MYSORE RAYON-GRADE PULP & PAPER MILLS LTD

S.V. Vis

(S.V.VISVANATHAN)
Managing Director.

Copy to:
The Secretary, Agriculture & Forest Dept., Govt.of Mysore.
The Secretary, Commerce & Industries Dept., Govt.of Mysore.
The Director of Industries & Commerce, Govt.of Mysore.
The Chief Conservator of Forests, Govt.of Mysore.

20 FAL 58

149

Telegram: "RAYONPULP"

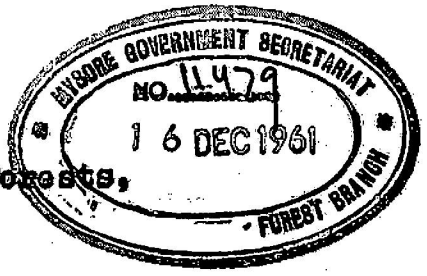
Telephone: { OFFICE : 71801
RESIDENCE : 70119

Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd.

S. V. Viswanathan,
MANAGING DIRECTOR

REGISTERED OFFICE:
6-E, BRIGADE ROAD,
BANGALORE-1.

Ref.



Date 12th December 19 61

The Hon'ble Minister for Forests,
Government of Mysore,
Vidhana Soudha,
Bangalore. 1.

Dear Sir,

Rayon-grade Pulp - Concessions regarding establishment of a Mill in Mysore State.

With reference to the Meeting which took place in the Chambers of your goodself on Friday, 8th December '61, in the presence of the Secretaries of the Agriculture & Forest Dept., Commerce & Industries Dept., Finance Dept., and the Director of Commerce & Industries and the Chief Conservator of Forests, we write to thank you for the kindness in permitting the undersigned to explain the position with regard to the Raw Materials etc.

In this connection, we would once again point out that ever since we started this Industry early in 1958, when Mr.K.F. Patil was the Forest Minister, we had his assurance that sufficient raw material would be made available to us, and on that basis and assurance we had planned and furnished the information to our Foreign Collaborators to design the machinery. As explained to your goodself and other Members present, we made very rapid progress, and it is now next to impossible to consider allowing any reduction to be made in the bamboos to be used in our Industry. According to the statistics furnished by the State Govt.of Bombay and our benign Govt. of Mysore, the details are:

Bamboo resources of North Kanara excluding quantity earmarked for West Coast Paper Mills Ltd., Dandeli	...		1,68,397 tons
Less: i) for bonafide consumption of the public	...	20,000 tons.	
ii) for the Chip Board Plant to be set up by the Indian Plywood Mfg.Co, Dandeli	5,000 "		25,000 tons.
Balance quantity of bamboo available for utilisation by our Mills	...		1,43,397 tons

We have repeatedly pointed out at the various meetings and discussions at the Ministerial and Secretarial level that our requirements would be 1,60,000 tons, and on every occasion had been assured that a minimum of 1,48,000 tons would be reserved for us. Letter No.CI 45 SPP 59 of 5-9-59 from the Secry.to the Govt.of Mysore, Commerce & Industries Dept.also refers. It will also be seen from the copy of the letter dated 27th Oct.

'61 from the Chairman of Messrs. EMPACEL, Paris (our Foreign Collaborators) enclosed with our letter of 29th November '61, that they cannot be held responsible to give the required quantity of Dissolving Pulp if we are unable to supply the quantity of bamboo required, for which the machinery has been designed, to meet the expansion programme also, economically.

As we are now starting the biggest Industry of its kind in our State, we feel sure that your goodself, your Secretaries and other Members present will definitely consider and grant us our legitimate rights, as per the assurance given to us, and which we have repeatedly pointed out. Having assured us on all occasions that our raw material requirements would be met, we feel sure the Government will not refrain from allocating the areas and quantity of bamboos promised to my Company, also taking into consideration our expansion from 110 tons to 350 tons per day, as stated above.

Royalty:

As discussed, we request that the rate of Royalty may kindly be fixed at Rs.3/- (Three) for the next five to ten years.

We trust the above facts may kindly be given deep consideration, and the Agreement may be executed as early as possible.

Thanking you.

Yours faithfully,
for GREATER MYSORE RAYON-GRADE PULP & PAPER MILLS LTD:

(S.V.VISVANATHAN)
Managing Director.

Copy to:
The Secretary, Agriculture & Forest Dept., Govt.of Mysore.
The Secretary, Commerce & Industries Dept., Govt.of Mysore.
The Director of Industries & Commerce, Govt.of Mysore.
The Chief Conservator of Forests, Govt.of Mysore.

Telegram: "RAVONPULP"

Telephone: OFFICE : 71801
RESIDENCE : 70119

Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd.

S. V. Viswanathan,
MANAGING DIRECTOR

REGISTERED OFFICE:
6-E, BRIGADE ROAD
BANGALORE-1

Ref. .....

Date 12th January 19 62.
15th

AGRICULTURE & FOREST DEPT. No. 180 16 JAN 1962 GOVERNMENT OF MYSORE

MYSORE GOVERNMENT SECRETARIAT No. 542 17 JAN FOREST BRANCH

The Secretary,
Agriculture & Forest Dept.,
Government of Mysore,
Bangalore.

Attention Sri T.V.Reddy, I.A.S.

Dear Sir,

Re: Raw Material.

All along during my previous discussions, I was told that every encouragement would be given to me for my new venture, namely, Rayon Pulp Industry. I was also told that the bamboo available in North Kanara district, excluding the quantity already conceded to West Coast Paper Mills Ltd., would be reserved for me. The Forest Dept., however, always put forth reservation of 20,000 tons of bamboos to meet the public demand. The bamboo available for my Rayon Industry was thus reduced to about 1,45,000 tons per year. This was further reduced by allotting about 5000 tons to Indian Plywood Co:, Dandeli, for their Board factory. This left about 1,40,000 tons per year for my factory.

The other day when I learnt that the quantity of bamboo allotted to my factory was further cut, I was rather shocked, because it was impossible for me to face my Collaborators, who had agreed to work with me on the distinct understanding of making available adequate quantities of bamboo, so as to yield 110 tons of pulp per day.

After discussing the subject, with reference to the letters received from the Government, I was able to convince you of my requirements and the commitments already made. At last you agreed to allot 1,35,000 tons of bamboo per year. This, in fact, hits me adversely, but you have left me no other alternative but to accept it in larger interests.

Now coming to the subject of areas to be allotted, I should

AGRICULTURE & FOREST DEPT. 279-G 17 JAN

.../..

like to have the quantities from the following areas:

Particulars of area under bamboo.	Bamboo Resources of Eastern Dvn., Kanara. Area in acres.	Total No. of clumps available. Douga. Bambusa arundinacea	Medar. Dendrocalamus strictus.	Annual yield(on sustained basis) in tons.
1). E.D.Kanara H.F. Blocks XIII to XVIII, XXI to XXIII, XXVIII and compt.32-A of XXVI.	218004.00	3276474	1863154	100000 tons.
1). Yellapur Manchikeri forest Sub-blocks 1 to 69	102913.20	321394	14444	9000 tons
	320917.20	3597868	1877598	109000

Particulars of area under bamboo.	Bamboo Resources of Kanara Western Dvn. Area in acres.	Total No.of clumps available. Bambusa Arundinacea	Dendrocalamus strictus.	Annual yield(on sustained basis) in tons.
1). Gangavali Valley H.F.Blocks XII, XXIV, XXV	65264.20	603998	175534	19000 tons

	Bamboo Resources of Kanara Northern Dvn. Area in acres.	Bambusa Arundinacea.	Dendrocalamus strictus.	Estimated annual yield
Supa-Joida Sub-Blocks 1 to 54	133540.40	678562	33442	Out of.. 20000 tons
				Available. 7000 tons

We do not have the details, nor could we get them from the Chief Conservator of Forest's Office regarding the quantity of bamboo available in each of the Sub Blocks in Supa Joida area. The C.C.F's office, however, felt that it should be available in W. Plans Office in Belgaum. These figures may kindly be obtained and necessary allotment of Sub Blocks made known to us. Thanking you.

Yours faithfully,
for GREATER MYSORE RAYON-GRADE PULP & PAPER MILLS LTD:

(S.V.VISVANATHAN)
Managing Director.

Telegram: "RAYONPULP"

Telephone: OFFICE : 71301
RESIDENCE : 70119

Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd.

S. V. Viswanathan,
MANAGING DIRECTOR

REGISTERED OFFICE
6-E, BRIGADE ROAD
BANGALORE-1

Ref. 266

Date 6th April 62.

OFFICE OF THE MINISTER FOR FORESTS BANGALORE No. P 74 Date 16/4/62

MYSORE GOVT. SECRETARIAT No. 7 16 APR 1962 AGRL. & FOREST DEPT. (APPAL SECTION)

The Minister for Commerce & Industries,
Government of Mysore,
Bangalore. 1.

Dear Sir,

I am very happy to read in the newspapers about the assurances given by the Minister for Forests on the floor of the Assembly Council and that of the Minister for Industries during his address at the Shri Chamrajendra Technical Institute, Mysore.

I launched on the new enterprise to manufacture Rayon Grade Pulp in N. Kanara District since last couple of years. Actually, I am the first one in this field and I have cleared everything at the Govt. of India level including Foreign Exchange, and the inordinate delay in making any further progress has occurred only at State Govt. level.

Application for start of Factory:

As per Govt. of Mysore communication No.AFD.20 FAC 58 dated Dec. 29, 1958 from the Under Secretary to Govt., Agriculture & Forest Dept.(Sri S.V.Prabhu) to me, I was "requested to work out a detailed scheme in the matter indicating the facilities required from Govt. and submit the same for the consideration of Govt." Accordingly, an application was submitted on 9th Febry.'59 to the Secretary, Agricultur & Forest Dept., Govt.of Mysore for a Paper & Pulp Factory with a 50-ton a-day Unit, to which a reply was received from the Secretary to Govt. of Mysore, C.&I. Dept., No.C1.2959/..59 dated 8th May 1959 stating the application was under active consideration of Govt. and Govt. will be glad to give all possible facilities, and in the meanwhile requested a detailed scheme with information regarding terms of collaboration, deferred payment etc. be forwarded to enable Govt. to take a decision in the matter. It was also stated that priority would be given to the firm making proposals which are likely to materialise in the nearest future and whose terms are more advantageous and favourable. The

MYSORE GOVERNMENT SECRETARIAT No. 2944 17 APR 1962 FOREST BRANCH

../..

undersigned therefore proceeded to foreign countries to negotiate terms etc., and was advised all round that a Unit of 100 tons capacity would be more economical, hence this matter was taken up, on returning to India, with the Govt.of Mysore, and confirmed in letter No.CI.4.SPP 59 dated 29th August 1959 from the Secretary to Govt., C.& I. Dept., regarding availability of Raw Material, Water Supply, Land, Power etc., and I was advised to "take necessary further action in the matter by applying for an Industrial License for the establishing of the Rayon Pulp Factory as proposed by me.

The Industrial Licence, Import Licence and Capital Issue Consent Order have all been obtained, and I regret to say the following matters are still pending finalisation with the State Governments

1. Land:

I asked for an area of 600 acres for my factory site etc., as per my letter of 13th December '60 addressed to the Secretary to Govt. of Mysore, A. & F. Dept., but it is not yet handed over to me. I was permitted to clear about Six acres or so (letter No.A2(b)96-2311/58 dated 11-4-61 of the Chief Conservator of Forests addressed to me), to celebrate the laying of the Foundation for the factory. The Logging Ra for the delivery of the material at the prescribed depots is not yet sanctioned, though it is past one year, and the material is rotting and going waste for want of this information. I was also informed as per letter No.FOR/GEN/82 of 1961-62 dated 1st November '61 addressed to me by the Divisional Forest Officer, Kanara Eastern Dvn., Dharwar, that "demarcation of 300 acres of Forest area at Kalsur has been completed by the Forest Surveyor, but the listing of trees standing in the area is going on and necessary intimation in this connection will be given in due course. As regards the sanction of logging rates,further orders in this connection are awaited from the higher authorities."

2. Raw Materials:

I have been assured of adequate raw material for my venture right from the start. As a result of this, as stated above, I went abroad, sought collaboration and moved Govt. of India ultimately for a licence to manufacture Rayon grade Pulp of 110 tons to start with, as the raw material (bamboos) available in N. Kanara District was just sufficient for a plant of that size. The required raw material has been promised to me in more then one letter and it is also confirmed in proceedings

of the meeting held in the Chambers of the Secretary to Govt.,A. & F. Dept. on 4th Febry. 1961, as per letter No.AFD 20/FAC 58 dated 13th July 1961 addressed to the Chief Conservator of Forests in Mysore, Bangalore, by the Secry. to the Govt.of Mysore, A. & F. Dept. (Sd.Sri S.V.Prabhu - Under Secretary to Govt. A.& F.) and copy endorsed to me "with a request to get into contact with the Chief Conservator of Forests and finalise the draft agreement early."

Further, the Hon. Minister for Forests declared it in the open speech to the large gathering on the day the foundation stone of my factory was laid at Kalsur, at which the Chief Secretary, Govt.of Mysore, was also present, and which was witnessed and also published widely all over India by the All India Press Representatives and P.T.I. that "the concern, the foundation of which has been laid today has been reserved 1,48,000 tons of bamboos per annum." I have therefore to request you to kindly finalise reservation of 1,48,000 tons of bamboo in N. Kanara for the use of my factory.

Due to the heavy flowering, the factory is likely to run short of raw material. I should therefore like to request you to reserve the lops and tops of light coloured woods such as Nandi, Ethyaga (Haldu), Bhendi, Hunalu (Kindal) etc., which are suitable for the manufacture of Rayon grade Pulp. This has previously been requested as per our letters dated 17-8-60 and 24-10-60 addressed to the Hon'ble Minister for Forests & Transport, Govt. of Mysore, with copies to Secretary, A & F. Dept., Secry., C. & I.Dept., and Chief Conservator of Forests.

I am happy to learn that the State Govt. (Forest Dept.) is raising Eucalyptus plantations. This may kindly be reserved for my factory as it would serve my factory as a good raw material during our expansion programme to raise our production to 350 tons per day. I should like to assure Govt. that soon after going into production, say by the end of 1963, I should like to place some funds at the disposal of the Govt. to raise Eucalyptus plantations, as large scale plantations would be necessary to meet the future requirements of the factory. Para 2 of letter No.A.F.D.20/FAC 58/ dated 13th July 1961 from the Secry. to Govt. of Mysore, A.& F. Dept. to the Chief Conservator of Forests in Mysore, copy endorsed to us, also refers.

In case Govt. intends to lease out forest areas, my Company would be prepared to take up plantations on its own, under expert guidance of forest officers.

It is learnt that there is a move afoot to carve out a certain quantity of bamboos from areas assured - as good as committed - to me, in favour of another Company because of their agreeing to raise the Royalty. This sort of step, I am constrained to state, would be illegal besides being unjust and contrary to the open declarations of the Ministers that Mysoreans would get necessary encouragement. Then again, that quantity is not likely to materially benefit the other factory in any way.

The Cabinet decision regarding raw material was not put through nor given effect to, because the former Chief Minister, when approached by the undersigned, agreed that there were so many commitments made to me for Raw Material - the Collaborators having agreed to work on these assurances - hence he instructed the Secretary, Agriculture & Forest Dept. to revise and allocate as already promised.

3. Royalty:

A nominal Royalty to get over teething troubles of the factory was promised to me and necessary instructions to enter into agreement were also issued, but it is held up at that stage only. This was discussed on various occasions, and although it was originally to be fixed at Rs.2/- per ton of bamboo, it was later on finally decided at Rs.5/- per ton of bamboo in the first five years of production. This may kindly be confirmed.

4. Electric Power:

Steps may please be taken to reserve and supply the necessary power asked for by December 1963.

5. Water charges:

Since I am making my own arrangements for storing water at a great cost, this question does not arise. This may please be confirmed.

Thanking you.

Yours faithfully,
for GREATER MYSORE RAYON-GRADE PULP & PAPER MILLS LTD

(S.V.VISWANATHAN)
Managing Director.

157

Telegram: "RAYONPULP"

Telephone: { OFFICE : 71301
RESIDENCE : 70119

Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd.

S. V. Viswanathan,
MANAGING DIRECTOR

REGISTERED OFFICE
6-E, BRIGADE ROAD
BANGALORE-1

MYSORE GOVERNMENT SECRETARIAT NO. 2826 11 APR 1962 FORESTS BRANCH

MYSORE GOVT. SECRETARIAT No. 11 10 APR 1962 AGRL. & FOREST DEPT. (TAPPAL SECTION)

Ref.

Date 6th April 19 62.

11/4/62

The Secretary,
Agriculture & Forest Dept.,
Government of Mysore,
Bangalore.

Dear Sir,

I am very happy to read in the newspapers about the assurances given by the Minister for Forests on the floor of the Assembly Council and that of the Minister for Industries during his address at the Shri Chamrajendra Technical Institute, Mysore.

I launched on the new enterprise to manufacture Rayon Grade Pulp in N. Kanara District since last couple of years. Actually, I am the first one in this field and I have cleared everything at the Govt. of India level including Foreign Exchange, and the inordinate delay in making any further progress has occurred only at State Govt. level.

Application for start of Factory:

As per Govt. of Mysore communication No.AFD.20 FAC 58 dated Dec. 29, 1958 from the Under Secretary to Govt., Agriculture & Forest Dept. (Sri S.V.Prabhu) to me, I was "requested to work out a detailed scheme in the matter indicating the facilities required from Govt. and submit the same for the consideration of Govt." Accordingly, an application was submitted on 9th Febry. '59 to the Secretary, Agriculture & Forest Dept., Govt. of Mysore for a Paper & Pulp Factory with a 50-tons-a-day Unit, to which a reply was received from the Secretary to Govt. of Mysore, C. & I. Dept., No.CI.2959/--59 dated 8th May 1959 stating the application was under active consideration of Govt. and Govt. will be glad to give all possible facilities, and in the meanwhile requested a detailed scheme with information regarding terms of collaboration, deferred payment etc. be forwarded to enable Govt. to take a decision in the matter. It was also stated that priority would be given to the firm making proposals which are likely to materialise in the nearest future and whose terms are more advantageous and favourable. The

../..

undersigned therefore proceeded to foreign countries to negotiate terms etc., and was advised all round that a Unit of 100 tons capacity would be more economical, hence this matter was taken up, on returning to India, with the Govt. of Mysore, and confirmed in letter No.01.4.SPP 59 dated 29th August 1959 from the Secretary to Govt., C. & I. Dept.,regarding availability of Raw Material, Water Supply, Land, Power etc., and I was advised to "take necessary further action in the matter by applying for an Industrial License for the establishing of the Rayon Pulp Factory as proposed by me.

The Industrial Licence, Import Licence and Capital Issue Consent Order have all been obtained, and I regret to say the following matters are still pending finalisation with the State Government:

1. Land:

I asked for an area of 600 acres for my factory site etc., as per my letter of 13th December '60 addressed to the Secretary to Govt. of Mysore, A. & F. Dept., but it is not yet handed over to me. I was permitted to clear about Six acres or so (letter No.A2(b)96-2311/58 dated 11-4-61 of the Chief Conservator of Forests addressed to me), to celebrate the laying of the Foundation for the factory. The Logging Rat for the delivery of the material at the prescribed depots is not yet sanctioned, though it is past one year, and the material is rotting and going waste for want of this information. I was also informed as per letter No.FOR/GEN/82 of 1961-62 dated 1st November '61 addressed to me by the Divisional Forest Officer, Kanara Eastern Dvn., Dharwar, that "demarcation of 300 acres of Forest area at Kalsur has been completed by the Forest Surveyor, but the listing of trees standing in the area is going on and necessary intimation in this connection will be given in due course. As regards the sanction of logging rates, further orders in this connection are awaited from the higher authorities."

2. Raw Materials:

I have been assured of adequate raw material for my venture righ from the start. As a result of this, as stated above, I went abroad, sought collaboration and moved Govt. of India ultimately for a licence to manufacture Rayon grade Pulp of 110 tons to start with, as the raw material (bamboos) available in N. Kanara District was just sufficient for a plant of that size. The required raw material has been promised to me in more than one letter and it is also confirmed in proceedings

of the meeting held in the Chambers of the Secretary to Govt.,A.& F. Dept. on 4th Febry. 1961, as per letter No.AFD 20/FAC 58 dated 13th July 1961 addressed to the Chief Conservator of Forests in Mysore,Bangalore, by the Secry. to the Govt. of Mysore, A. & F. Dept. (Sd.Sri S.V.Prabhu - Under Secretary to Govt. A.& F.) and copy endorsed to me "with a request to get into contact with the Chief Conservator of Forests and finalise the draft agreement early."

Further, the Hon. Minister for Forests declared it in the open speech to the large gathering on the day the foundation stone of my factory was laid at Kalsur, at which the Chief Secretary, Govt.of Mysore, was also present, and which was witnessed and also published widely all over India by the All India Press Representatives and P.T.I. that "the concern, the foundation of which has been laid today has been reserved 1,48,000 tons of bamboos per annum." I have therefore to request you to kindly finalise reservation of 1,48,000 tons of bamboo in N. Kanara for the use of my factory.

Due to the heavy flowering, the factory is likely to run short of raw material. I should therefore like to request you to reserve the lops and tops of light coloured woods such as Nandi, Ethyaga (Haldu), Bhendi, Hunalu (Kindal) etc., which are suitable for the manufacture of Rayon grade Pulp. This has previously been requested as per our letters dated 17-8-60 and 24-10-60 addressed to the Hon'ble Minister for Forests & Transport, Govt. of Mysore, with copies to Secretary, A. & F. Dept., Secry., C. & I. Dept., and Chief Conservator of Forests.

I am happy to learn that the State Govt. (Forest Dept.) is raising Eucalyptus plantations. This may kindly be reserved for my factory as it would serve my factory as a good raw material during our expansion programme to raise our production to 350 tons per day. I should like to assure Govt. that soon after going into production, say by the end of 1963, I should like to place some funds at the disposal of the Govt. to raise Eucalyptus plantations, as large scale plantations would be necessary to meet the future requirements of the factory. Para 2 of letter No.A.F.D.20/FAC 58/ dated 13th July 1961 from the Secry.to Govt. of Mysore, A. & F. Dept. to the Chief Conservator of Forests in Mysore, copy endorsed to us, also refers.

In case Govt. intends to lease out forest areas, my Company would be prepared to take up plantations on its own, under expert guidance of forest officers.

It is learnt that there is a move afoot to carve out a certain quantity of bamboos from areas assured - as good as committed - to me, in favour of another Company because of their agreeing to raise the Royalty. This sort of step, I am constrained to state, would be illegal, besides being unjust and contrary to the open declarations of the Ministers that Mysoreans would get necessary encouragement. Then again, that quantity is not likely to materially benefit the other factory in any way.

The Cabinet decision regarding raw material was not put through, nor given effect to, because the former Chief Minister, when approached by the undersigned, agreed that there were so many commitments made to me for Raw Material - the Collaborators having agreed to work on these assurances - hence he instructed the Secretary, Agriculture & Forest Dept. to revise and allocate as already promised.

3. Royalty:

A nominal Royalty to get over teething troubles of the factory was promised to me and necessary instructions to enter into agreement were also issued, but it is held up at that stage only. This was discussed on various occasions, and although it was originally to be fixed at Rs.2/- per ton of bamboo, it was later on finally decided at Rs.5/- per ton of bamboo in the first five years of production. This may kindly be confirmed.

4. Electric Power:

Steps may please be taken to reserve and supply the necessary power asked for by December 1963.

5. Water charges:

Since I am making my own arrangements for storing water at a great cost, this question does not arise. This may please be confirmed.

Thanking you.

Yours faithfully,
for GREATER MYSORE RAYON-GRADE PULP & PAPER MILLS LTD:

(S.V.VISVANATHAN)
Managing Director.

Telegram: "RAYONPULP"

Telephone: OFFICE : 71301
RESIDENCE : 70119

Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd.

S. V. Viswanathan,
MANAGING DIRECTOR

REGISTERED OFFICE
6-E, BRIGADE ROAD
BANGALORE-1

MYSORE GOVERNMENT SECRETARIAT
T. No. 101
10 APR 1962
GENERAL DEPARTMENT

MYSORE GOVT. SECRETARIAT
No. 2863
12 APR 1962
FOREST BRANCH

MYSORE GOVT. SECRETARIAT
No. 94
11 APR 1962
AGRI. & FOREST DEPT. BRANCH

Ref. _____

AF. NCL 10-4

Dated 7th April 19 62.

The Chief Secretary
Government of Mysore
Vidhana Soudha,
Bangalore. 1.

Dear Sir,

I am very happy to read in the newspapers about the assurances given by the Minister for Forests on the floor of the Assembly Council and that of the Minister for Industries during his address at the Shri Chamrajendra Technical Institute, Mysore.

I launched on the new enterprise to manufacture Rayon Grade Pulp in N. Kanara District since last couple of years. Actually, I am the first one in this field and I have cleared everything at the Govt. of India level including Foreign Exchange, and the inordinate delay in making any further progress has occurred only at State Govt. level.

Application for start of Factory:

As per Govt. of Mysore communication No.AFD.20 FAC 58 dated Dec. 29, 1958 from the Under Secretary to Govt., Agriculture & Forest Dept. (Sri S.V.Prabhu) to me, I was "requested to work out a detailed scheme in the matter indicating the facilities required from Govt. and submit the same for the consideration of Govt." Accordingly, an application was submitted on 9th Febry. '59 to the Secretary, Agriculture & Forest Dept., Govt. of Mysore for a Paper & Pulp Factory with a 50-tons a-day Unit, to which a reply was received from the Secretary to Govt. of Mysore, C. & I. Dept., No.C1.2959/..59 dated 8th May 1959 stating the application was under active consideration of Govt. and Govt. will be glad to give all possible facilities, and in the meanwhile requested a detailed scheme with information regarding terms of collaboration, deferred payment etc. be forwarded to enable Govt. to take a decision in the matter. It was also stated that priority would be given to the firm making proposals which are likely to materialise in the nearest future and whose terms are more advantageous and favourable. The

../..

of the meeting held in the Chambers of the Secretary to Govt.,A.& F. Dept. on 4th Febry. 1961, as per letter No.AFD 20/FAC 58 dated 13th July 1961 addressed to the Chief Conservator of Forests in Mysore,Bangalore, by the Secry. to the Govt. of Mysore, A. & F. Dept. (Sd.Sri S.V.Prabhu - Under Secretary to Govt. A.& F.) and copy endorsed to me "with a request to get into contact with the Chief Conservator of Forests and finalise the draft agreement early."

Further, the Hon. Minister for Forests declared it in the open speech to the large gathering on the day the foundation stone of my factory was laid at Kalsur, at which the Chief Secretary, Govt.of Mysore, was also present, and which was witnessed and also published widely all over India by the All India Press Representatives and P.T.I. that "the concern, the foundation of which has been laid today has been reserved 1,48,000 tons of bamboos per annum." I have therefore to request you to kindly finalise reservation of 1,48,000 tons of bamboo in N. Kanara for the use of my factory.

Due to the heavy flowering, the factory is likely to run short of raw material. I should therefore like to request you to reserve the lops and tops of light coloured woods such as Nandi, Ethyaga (Haldu), Bhendi, Hunalu (Kindal) etc., which are suitable for the manufacture of Rayon grade Pulp. This has previously been requested as per our letters dated 17-8-60 and 24-10-60 addressed to the Hon'ble Minister for Forests & Transport, Govt. of Mysore, with copies to Secretary, A. & F. Dept., Secry., C. & I. Dept., and Chief Conservator of Forests.

I am happy to learn that the State Govt. (Forest Dept.) is raising Eucalyptus plantations. This may kindly be reserved for my factory as it would serve my factory as a good raw material during our expansion programme to raise our production to 350 tons per day. I should like to assure Govt. that soon after going into production, say by the end of 1963, I should like to place some funds at the disposal of the Govt. to raise Eucalyptus plantations, as large scale plantations would be necessary to meet the future requirements of the factory. Para 2 of letter No.A.F.D.20/FAC 58/ dated 13th July 1961 from the Secry.to Govt. of Mysore, A. & F. Dept. to the Chief Conservator of Forests in Mysore, copy endorsed to us, also refers.

In case Govt. intends to lease out forest areas, my Company would be prepared to take up plantations on its own, under expert guidance of forest officers.

../..

undersigned therefore proceeded to foreign countries to negotiate terms etc., and was advised all round that a Unit of 100 tons capacity would be more economical, hence this matter was taken up, on returning to India, with the Govt. of Mysore, and confirmed in letter No.C1.4.SPP 59 dated 29th August 1959 from the Secretary to Govt., C. & I. Dept.,regarding availability of Raw Material, Water Supply, Land, Power etc., and I was advised to "take necessary further action in the matter by applying for an Industrial License for the establishing of the Rayon Pulp Factory as propesed by me.

The Industrial Licence, Import Licence and Capital Issue Consent Order have all been obtained, and I regret to say the following matters are still pending finalisation with the State Government:

1. Land:

I asked for an area of 600 acres for my factory site etc., as per my letter of 13th December '60 addressed to the Secretary to Govt. of Mysore, A. & F. Dept., but it is not yet handed over to me. I was permitted to clear about Six acres ow so (letter No.A2(b)96-2311/58 dated 11-4-61 of the Chief Conservator of Forests addressed to me), to celebrate the laying of the Foundation for the factory. The Logging Rate for the delivery of the material at the prescribed depots is not yet sanctioned, though it is past one year, and the material is rotting and going waste for want of this information. I was also informed as per letter No.FOR/GEN/82 of 1961-62 dated 1st November '61 addressed to me by the Divisional Forest Officer, Kanara Eastern Dvn., Dharwar, that "demarcation of 300 acres of Forest area at Kalsur has been completed by the Forest Surveyor, but the listing of trees standing in the area is going on and necessary intimation in this connection will be given in due course. As regards the sanction of logging rates, further orders in this connection are awaited from the higher authorities."

2. Raw Materials:

I have been assured of adequate raw material for my venture right from the start. As a result of this, as stated above, I went abroad, sought collaboration and moved Govt. of India ultimately for a licence to manufacture Rayon grade Pulp of 110 tons to start with, as the raw material (bamboos) available in N. Kanara District was just sufficient for a plant of that size. The required raw material has been promised to me in more than one letter and it is also confirmed in proceedings

../..

It is learnt that there is a move afoot to carve out a certain quantity of bamboos from areas assured - as good as committed - to me, in favour of another Company because of their agreeing to raise the Royalty. This sort of step, I am constrained to state, would be illegal, besides being unjust and contrary to the open declarations of the Ministers that Mysoreans would get necessary encouragement. Then again, that quantity is not likely to materially benefit the other factory in any way.

The Cabinet decision regarding raw material was not put through, nor given effect to, because the former Chief Minister, when approached by the undersigned, agreed that there were so many commitments made to me for Raw Material - the Collaborators having agreed to work on these assurances - hence he instructed the Secretary, Agriculture & Forest Dept. to revise and allocate as already promised.

3. Royalty:

A nominal Royalty to get over teething troubles of the factory was promised to me and necessary instructions to enter into agreement were also issued, but it is held up at that stage only. This was discussed on various occasions, and although it was originally to be fixed at Rs.2/- per ton of bamboo, it was later on finally decided at Rs.5/- per ton of bamboo in the first five years of production. This may kindly be confirmed.

4. Electric Power:

Steps may please be taken to reserve and supply the necessary power asked for by December 1963.

5. Water charges:

Since I am making my own arrangements for storing water at a great cost, this question does not arise. This may please be confirmed.

Thanking you.

Yours faithfully,
for GREATER MYSORE RAYON-GRADE PULP & PAPER MILLS LTD:

S. V. Vish.
(S.V.VISVANATHAN)
Managing Director.

Telegram: "RAYONPULP"

Telephone: { OFFICE : 71301
RESIDENCE : 70119

165

Greater Mysore Rayon Grade Pulp & Paper Mills Ltd.

S. V. Viswanathan,
MANAGING DIRECTOR

REGISTERED OFFICE
6-E, BRIGADE ROAD
BANGALORE-1

OFFICE OF THE MINISTER FOR AGRICULTURE & SOCIAL WELFARE
No. 251

Ref._____

Date 6th April 19 62.

The Minister for Forest & Agriculture,
Government of Mysore,
Bangalore. 1.

MYSORE GOVT. SECRETARIAT
No. 9
16 APR 62
AGRI. & FOREST DEPT. (TAPPAL SECTION)

Dear Sir,

I am very happy to read in the newspapers about the assurances given by the Minister for Forests on the floor of the Assembly Council and that of the Minister for Industries during his address at the Shri Chamrajendra Technical Institute, Mysore.

I launched on the new enterprise to manufacture Rayon Grade Pulp in N. Kanara District since last couple of years. Actually, I am the first one in this field and I have cleared everything at the Govt. of India level including Foreign Exchange, and the inordinate delay in making any further progress has occurred only at State Govt. level.

B. RACHAIAH,
Minister for Agriculture, Co-operation & Forests.

Application for start of Factory:

As per Govt. of Mysore communication No.AFD.20 FAC 58 dated Dec. 29, 1958 from the Under Secretary to Govt., Agriculture & Forest Dept.(Sri S.V.Prabhu) to me, I was "requested to work out a detailed scheme in the matter indicating the facilities required from Govt. and submit the same for the consideration of Govt." Accordingly, an application was submitted on 9th Febry.'59 to the Secretary, Agriculture & Forest Dept., Govt.of Mysore for a Paper & Pulp Factory with a 50-tons-a-day Unit, to which a reply was received from the Secretary to Govt. of Mysore, C.&I. Dept., No.CI.2959/..59 dated 8th May 1959 stating the application was under active consideration of Govt. and Govt. will be glad to give all possible facilities, and in the meanwhile requested a detailed scheme with information regarding terms of collaboration, deferred payment etc. be forwarded to enable Govt. to take a decision in the matter. It was also stated that priority would be given to the firm making proposals which are likely to materialise in the nearest future and whose terms are more advantageous and favourable. The

../..

undersigned therefore proceeded to foreign countries to negotiate terms etc., and was advised all round that a Unit of 100 tons capacity would be more economical, hence this matter was taken up, on returning to India, with the Govt.of Mysore, and confirmed in letter No.CI.4.SPP 59 dated 29th August 1959 from the Secretary to Govt., C.& I. Dept., regarding availability of Raw Material, Water Supply, Land, Power etc., and I was advised to "take necessary further action in the matter by applying for an Industrial Licénse for the establishing of the Rayon Pulp Factory as proposed by me.

The Industrial Licence, Import Licence and Capital Issue Consent Order have all been obtained, and I regret to say the following matters are still pending finalisation with the State Governments

1. Land:

I asked for an area of 600 acres for my factory site etc., as per my letter of 13th December '60 addressed to the Secretary to Govt. of Mysore, A. & F. Dept., but it is not yet handed over to me. I was permitted to clear about Six acres or so (letter No.A2(b)96-2311/58 dated 11-4-61 of the Chief Conservator of Forests addressed to me), to celebrate the laying of the Foundation for the factory. The Logging Rate for the delivery of the material at the prescribed depots is not yet sanctioned, though it is past one year, and the material is rotting and going waste for want of this information. I was also informed as per letter No.FOR/GEN/82 of 1961-62 dated 1st November '61 addressed to me by the Divisional Forest Officer, Kanara Eastern Dvn., Dharwar, that "demarcation of 300 acres of Forest area at Kalsur has been completed by the Forest Surveyor, but the listing of trees standing in the area is going on and necessary intimation in this connection will be given in due course. As regards the sanction of logging rates,further orders in this connection are awaited from the higher authorities."

2. Raw Materials:

I have been assured of adequate raw material for my venture right from the start. As a result of this, as stated above, I went abroad, sought collaboration and moved Govt. of India ultimately for a licence to manufacture Rayon grade Pulp of 110 tons to start with, as the raw material (bamboos) available in N. Kanara District was just sufficient for a plant of that size. The required raw material has been promised to me in more than one letter and it is also confirmed in proceedings

../..

of the meeting held in the Chambers of the Secretary to Govt.,A. & F. Dept. on 4th Febry. 1961, as per letter No.AFD 20/FAC 58 dated 13th July 1961 addressed to the Chief Conservator of Forests in Mysore, Bangalore, by the Secry. to the Govt.of Mysore, A. & F. Dept. (Sd.Sri S.V.Prabhu - Under Secretary to Govt. A.& F.) and copy endorsed to me "with a request to get into contact with the Chief Conservator of Forests and finalise the draft agfeement early."

Further, the Hon. Minister for Forests declared it in the open speech to the large gathering on the day the foundation stone of my factory was laid at Kalsur, at which the Chief Secretary, Govt.of Mysore, was also present, and which was witnessed and also published widely all over India by the All India Pr@ss Representatives and P.T.I. that "the concern, the foundation of which has been laid today has been reserved 1,48,000 tons of bamboos per annum." I have therefore to request you to kindly finalise reservation of 1,48,000 tons of bamboo in N. Kanara for the use of my factory.

Due to the heavy flowering, the factory is likely to run short of raw material. I should therefore like to request you to reserve the lops and tops of light coloured woods such as Nandi, Ethyaga (Haldu), Bhendi, Hunalu (Kindal) etc., which are suitable for the manufacture of Rayon grade Pulp. This has previously been requested as per our letters dated 17-8-60 and 24-10-60 addressed to the Hon'ble Minister for Forests & Transport, Govt. of Mysore, with copies to Secretary, A & F. Dept., Secry., C. & I.Dept., and Chief Conservator of Forests.

I am happy to learn that the State Govt. (Forest Dept.) is raising Eucalyptus plantations. This may kindly be reserved for my factory as it would serve my factory as a good raw material during our expansion programme to raise our production to 350 tons per day. I should like to assure Govt. that soon after going into production, say by the end of 1963, I should like to place some funds at the disposal of the Govt. to raise Eucalyptus plantations, as large scale plantations would be necessary to meet the future requirements of the factory. Para 2 of letter No.A.F.D.20/FAC 58/ dated 13th July 1961 from the Secry. to Govt. of Mysore, A.& F. Dept. to the Chief Conservator of Forests in Mysore, copy endorsed to us, also refers.

In case Govt. intends to lease out forest areas, my Company would be prepared to take up plantations on its own, under expert guidance of forest officers.

.../...

It is learnt that there is a move afoot to carve out a certain quantity of bamboos from areas assured - as good as committed - to me, in favour of another Company because of their agreeing to raise the Royalty. This sort of step, I am constrained to state, would be illegal, besides being unjust and contrary to the open declarations of the Ministers that Mysoreans would get necessary encouragement. Then again, that quantity is not likely to materially benefit the other factory in any way.

The Cabinet decision regarding raw material was not put through, nor given effect to, because the former Chief Minister, when approached by the undersigned, agreed that there were so many commitments made to me for Raw Material - the Collaborators having agreed to work on these assurances - hence he instructed the Secretary, Agriculture & Forest Dept. to revise and allocate as already promised.

3. Royalty:

A nominal Royalty to get over teething troubles of the factory was promised to me and necessary instructions to enter into agreement were also issued, but it is held up at that stage only. This was discussed on various occasions, and although it was originally to be fixed at Rs.2/- per ton of bamboo, it was later on finally decided at Rs.5/- per ton of bamboo in the first five years of production. This may kindly be confirmed.

4. Electric Power:

Steps may please be taken to reserve and supply the necessary power asked for by December 1963.

5. Water charges:

Since I am making my own arrangements for storing water at a great cost, this question does not arise. This may please be confirmed.

Thanking you.

Yours faithfully,
for GREATER MYSORE RAYON-GRADE PULP & PAPER MILLS LTD.

(S.V.VISWANATHAN)
Managing Director.

Mysore Government Secretariat

Facilities required in connection with the starting of the Mills.

(App. F. III 2

File No. of 196

2084

Serial No.

Letter dated 6th April 1962 from the Greater Mysore Rayon-grade pulp and Paper Mills Ltd., Bangalore.

1) **Minutes of the Chief Minister on the P.U.D:**

"Secretary, C & I may please see and offer his remarks.

Sd/- S.R.Kanthi
10/4/1962
Chief Minister"

2 **All the matters referred to in the letter relate to the Agriculture and Forest Department, which is finalising the ~~matter~~ queries. The letter is transferred to the Secretary, A & F Department for taking further action with reference to the minutes of the Chief Minister at para 1 n.f.**

3) **For favour of information.**

(B.Lakshmana Rao)
Under Secretary to Government,
Commerce and Industries Department.

Chief Minister.

4) Copy of the above with the letter referred to therein forwarded to the Secretary, A & F Department for favour of further action.

20/4/62

(B.Lakshmana Rao)
Under Secretary to Government,
Commerce and Industries Department.

AV 7.

23/4/62

Note.—Contn. Sheet

Telegram: "RAYONPULP"

Telephone: OFFICE : 71301
RESIDENCE : 70119

Cmm 73

170 309

Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd.

S. V. Viswanathan,
MANAGING DIRECTOR

REGISTERED OFFICE
6-E, BRIGADE ROAD
BANGALORE-1

Secy C & I. may please see & offer his remarks.
[illegible]
10/4/62

Ref. 2084/sw

Date 6th April 1962.

SECRETARY TO GOVERNMENT
No. 9[illegible]
12 APR 1962
COMMERCE & INDUSTRIES DEPT.

13/4/62

The Chief Minister,
Government of Mysore,
Vidhana Soudha,
Bangalore. 1.

Dear Sir,

I am very happy to read in the newspapers about the assurances given by the Minister for Forests on the floor of the Assembly Council, and that of the Minister for Industries during his address at the Shri Chamrajendra Technical Institute, Mysore.

I launched on the new enterprise to manufacture Rayon Grade Pulp in N. Kanara District since last couple of years. Actually, I am the first one in this field and I have cleared everything at the Govt. of India level including Foreign Exchange, and the inordinate delay in making any further progress has occurred only at State Govt. level.

Application for start of Factory:

As per Govt. of Mysore communication No.AFD.20 FAC 58 dated Dec. 29, 1958 from the Under Secretary to Govt., Agriculture & Forest Dept.(Sri S.V.Prabhu) to me, I was "requested to work out a detailed scheme in the matter indicating the facilities required from Govt. and submit the same for the consideration of Govt." Accordingly, an application was submitted on 9th Febry.'59 to the Secretary, Agriculture & Forest Dept., Govt.of Mysore for a Paper & Pulp Factory with a 50-tons-a-day Unit, to which a reply was received from the Secretary to Govt. of Mysore, C.&I. Dept., No.C1.2959/..59 dated 8th May 1959 stating the application was under active consideration of Govt. and Govt. will be glad to give all possible facilities, and in the meanwhile requested a detailed scheme with information regarding terms of collaboration, deferred payment etc. be forwarded to enable Govt. to take a decision in the matter. It was also stated that priority would be given to the firm making proposals which are likely to materialise in the nearest future and whose terms are more advantageous and favourable. The

../..

undersigned therefore proceeded to foreign countries to negotiate terms etc., and was advised all round that a Unit of 100 tons capacity would be more economical, hence this matter was taken up, on returning to India, with the Govt.of Mysore, and confirmed in letter No.C1.4.SPP 59 dated 29th August 1959 from the Secretary to Govt., C.& I. Dept., regarding availability of Raw Material, Water Supply, Land, Power etc., and I was advised to "take necessary further action in the matter by applying for an Industrial License for the establishing of the Rayon Pulp Factory as proposed by me.

The Industrial Licence, Import Licence and Capital Issue Consent Order have all been obtained, and I regret to say the following matters are still pending finalisation with the State Governments

1. Land:

I asked for an area of 600 acres for my factory site etc., as per my letter of 13th December '60 addressed to the Secretary to Govt. of Mysore, A. & F. Dept., but it is not yet handed over to me. I was permitted to clear about Six acres or so (letter No.A2(b)96-2311/58 dated 11-4-61 of the Chief Conservator of Forests addressed to me), to celebrate the laying of the Foundation for the factory. The Logging Rate for the delivery of the material at the prescribed depots is not yet sanctioned, though it is past one year, and the material is rotting and going waste for want of this information. I was also informed as per letter No.FOR/GEN/82 of 1961-62 dated 1st November '61 addressed to me by the Divisional Forest Officer, Kanara Eastern Dvn., Dharwar, that "demarcation of 300 acres of Forest area at Kalsur has been completed by the Forest Surveyor, but the listing of trees standing in the area is going on and necessary intimation in this connection will be given in due course. As regards the sanction of logging rates,further orders in this connection are awaited from the higher authorities."

2. Raw Materials:

I have been assured of adequate raw material for my venture right from the start. As a result of this, as stated above, I went abroad, sought collaboration and moved Govt. of India ultimately for a licence to manufacture Rayon grade Pulp of 110 tons to start with, as the raw material (bamboos) available in N. Kanara District was just sufficient for a plant of that size. The required raw material has been promised to me in more than one letter and it is also confirmed in proceedings

../..

of the meeting held in the Chambers of the Secretary to Govt.,A. & F. Dept. on 4th Febry. 1961, as per letter No.AFD 20/FAC 58 dated 13th July 1961 addressed to the Chief Conservator of Forests in Mysore, Bangalore, by the Secry. to the Govt.of Mysore, A. & F. Dept. (Sd.Sri S.V.Prabhu - Under Secretary to Govt. A.& F.) and copy endorsed to me "with a request to get into contact with the Chief Conservator of Forests and finalise the draft agfeement early."

Further, the Hon. Minister for Forests declared it in the open speech to the large gathering on the day the foundation stone of my factory was laid at Kalsur, at which the Chief Secretary, Govt.of Mysore, was also present, and which was witnessed and also published widely all over India by the All India Press Representatives and P.T.I. that "the concern, the foundation of which has been laid today has been reserved 1,48,000 tons of bamboos per annum." I have therefore to request you to kindly finalise reservation of 1,48,000 tons of bamboo in N. Kanara for the use of my factory.

Due to the heavy flowering, the factory is likely to run short of raw material. I should therefore like to request you to reserve the lops and tops of light coloured woods such as Nandi, Ethyaga (Haldu), Bhendi, Hunalu (Kindal) etc., which are suitable for the manufacture of Rayon grade Pulp. This has previously been requested as per our letters dated 17-8-60 and 24-10-60 addressed to the Hon'ble Minister for Forests & Transport, Govt. of Mysore, with copies to Secretary, A & F. Dept., Secry., C. & I.Dept., and Chief Conservator of Forests.

I am happy to learn that the State Govt. (Forest Dept.) is raising Eucalyptus plantations. This may kindly be reserved for my factory as it would serve my factory as a good raw material during our expansion programme to raise our production to 350 tons per day. I should like to assure Govt. that soon after going into production, say by the end of 1963, I should like to place some funds at the disposal of the Govt. to raise Eucalyptus plantations, as large scale plantations would be necessary to meet the future requirements of the factory. Para 2 of letter No.A.F.D.20/FAC 58/ dated 13th July 1961 from the Secry. to Govt. of Mysore, A.& F. Dept. to the Chief Conservator of Forests in Mysore, copy endorsed to us, also refers.

In case Govt. intends to lease out forest areas, my Company would be prepared to take up plantations on its own, under expert guidance of forest officers.

.../...

It is learnt that there is a move afoot to carve out a certain quantity of bamboos from areas assured - as good as committed - to me, in favour of another Company because of their agreeing to raise the Royalty. This sort of step, I am constrained to state, would be illegal, besides being unjust and contrary to the open declarations of the Ministers that Mysoreans would get necessary encouragement. Then again, that quantity is not likely to materially benefit the other factory in any way.

The Cabinet decision regarding raw material was not put through, nor given effect to, because the former Chief Minister, when approached by the undersigned, agreed that there were so many commitments made to me for Raw Material - the Collaborators having agreed to work on these assurances - hence he instructed the Secretary, Agriculture & Forest Dept. to revise and allocate as already promised.

3. Royalty:

A nominal Royalty to get over teething troubles of the factory was promised to me and necessary instructions to enter into agreement were also issued, but it is held up at that stage only. This was discussed on various occasions, and although it was originally to be fixed at Rs.2/- per ton of bamboo, it was later on finally decided at Rs.5/- per ton of bamboo in the first five years of production. This may kindly be confirmed.

4. Electric Power:

Steps may please be taken to reserve and supply the necessary power asked for by December 1963.

5. Water charges:

Since I am making my own arrangements for storing water at a great cost, this question does not arise. This may please be confirmed.

Thanking you.

Yours faithfully,
for GREATER MYSORE RAYON-GRADE PULP & PAPER MILLS LTD:

V. Vish

(S.V.VISWANATHAN)
Managing Director.

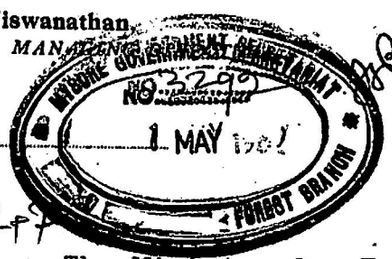
Telegram: "RAYONPULP"

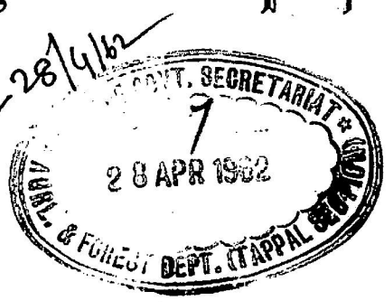
Telephone: Office : 71301
Residence : 70119

Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd.

S. V. Viswanathan,
MANAGING DIRECTOR

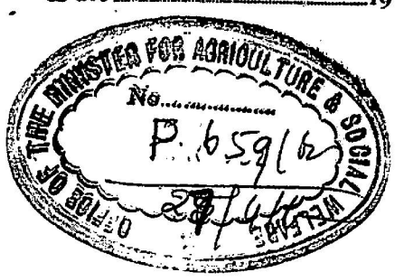
REGISTERED OFFICE
6-E, BRIGADE ROAD
BANGALORE-1





Ref. 1 MAY 1962

Date 16th April 1962.



MYSORE GOVERNMENT SECRETARIAT No. 3299 FOREST BRANCH

GOVT. SECRETARIAT 28 APR 1962 AGRI. & FOREST DEPT. (TAPPAL SECTION)

OFFICE OF THE MINISTER FOR AGRICULTURE & SOCIAL WELFARE No. P. 659/62

Secretary A+F
Purchased
Connected file
RR 18/4/62

The Minister for Forest & Agriculture,
Government of Mysore,
Bangalore. 1.

Dear Sir,

Handing over and clearance of Forest Area for Construction of Mill Buildings etc. at Kalsur.

We have been requesting as far back as 1960 (Ref;Our letter dated 13th Dec. '60 addressed to the Secretary to the Govt. of Mysore, Agriculture & Forest Dept,Bangalore) and on several occasions thereafter, that Six hundred acres of land be allotted to us, out of which 475 acres will be for the Mill Building, Godowns, Offices and other Civil Works required for the Industry and 125 acres for the residential quarters and Workers' Housing Colony. We have also requested that the entire area should be in one piece, otherwise, 475 acres in one piece and the remaining 125 acres in another piece, situated as adjacent as possible to the Mill area.

We now understand that you have recommended an area of 200 acres only to be cleared and handed over to us, and our Chief Engineer, Mr. J. Beuve, who has again gone through the whole details and plans, finds it impossible to fit in and work in this area, and he suggests that an area of at least 300 acres be handed over immediately, so that we may commence work by Wednesday next, 18th April, and clear the area ourselves, and have the material delivered to the Depot as directed by the D.F.O.

We would again stress that we cannot afford to allow any further time to be wasted, since it is already a year since the Six acres was handed over for the laying of the Foundation for this Factory, and much time has been wasted in clearing and handing over the areas, and awaiting instructions.

As we have to proceed with other formalities, we would like to complete this work within a couple of days, hence we request you kindly to recommend that 300 acres be handed over to us immediately, and that we be authorised to clear the same and deliver the material, at the fixed rate, to the various depots.

We once again request your immediate action in the matter.

Thanking you.

Yours faithfully,
for GREATER MYSORE RAYON-GRADE PULP & PAPER MILLS LTD:

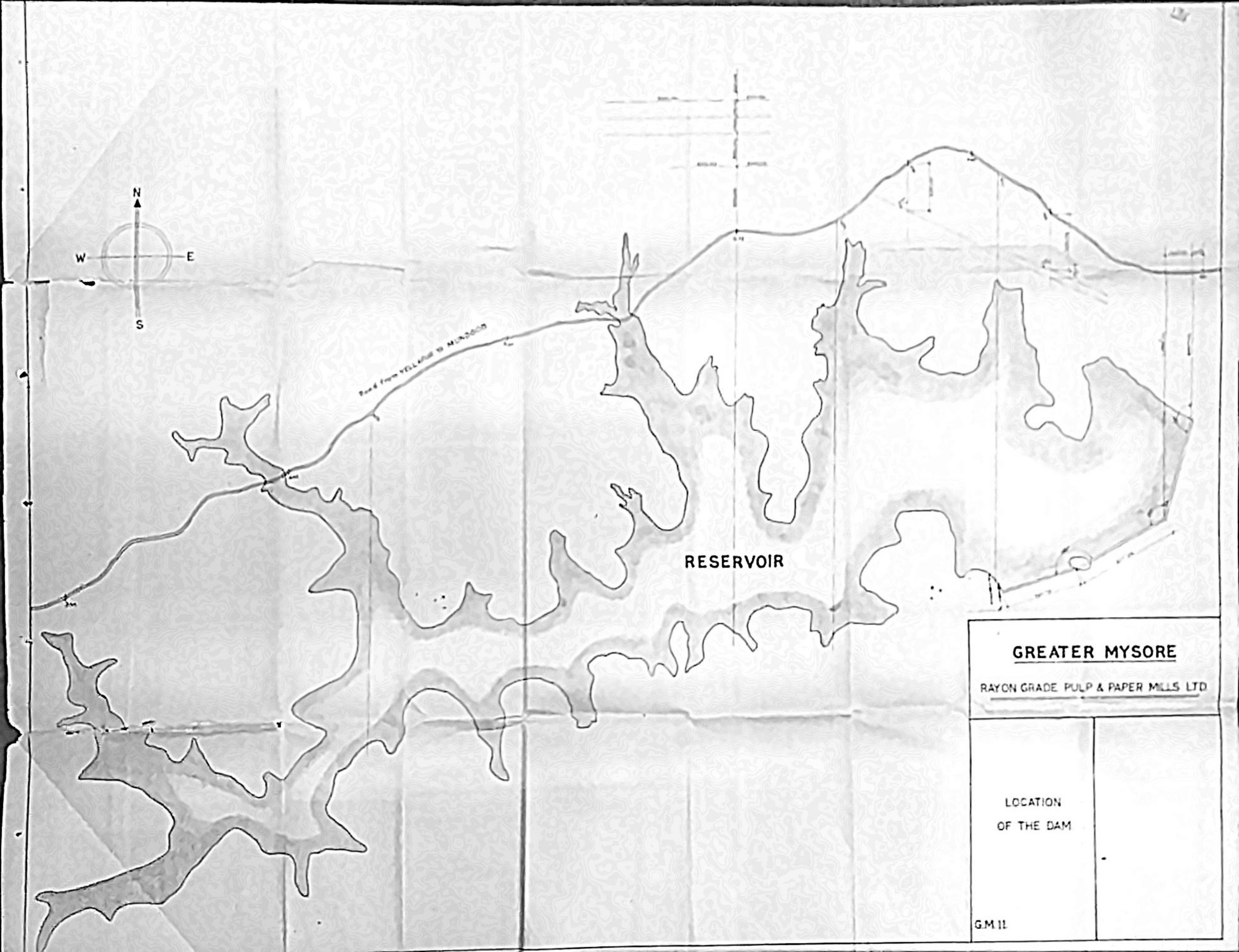
S. V. Vis.

(S.V.VISVANATHAN)
Managing Director.

Copy to:

1. The Chief Secretary,
   Government of Mysore,
   Bangalore.

2. The Deputy Secretary,
   Forest & Agriculture Dept.,
   Govt. of Mysore,
   Bangalore.


N
W
E
S
RESERVOIR
GREATER MYSORE
RAYON GRADE PULP & PAPER MILLS LTD
LOCATION
OF THE DAM
G.M.11

Telegram: "RAYONPULP"

Telephone: 177 OFFICE : 71301
RESIDENCE : 70119

Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd.

S. V. Viswanathan,
MANAGING DIRECTOR

REGISTERED OFFICE
6-E, BRIGADE ROAD
BANGALORE-1

*Ref.*_____

Date 16th April *19* 62.

The Minister for Forest & Agriculture,
Government of Mysore,
Bangalore.1.

Dear Sir,

Construction of Reservoir.

We are enclosing herewith a blue print of the land required for construction of Reservoir for our Factory at Kalsur, which covers an area of approximately 1,625 acres, to be under submersion, and we would request you to kindly have the same handed over to us immediately without further delay.

In this connection, we would state that we shall be pleased to pay you a very nominal compensation, since we are going to spend a huge amount on the construction of this Reservoir. We will, however, see that all other interests are safeguarded, and that the public will not be inconvenienced in any way.

As this matter has already been considerably delayed, and we have to hand over the area immediately after clearance to our contractors who are constructing the Reservoir, for preliminary work of surveying and soil-testing etc. etc., hence we request you to kindly give this matter top priority and instruct that 1625 acres of land is handed over to us immediately. Also kindly authorise that this area may be cleared by us and the material delivered, at the fixed rate, as instructed, to the depot.

Awaiting your early reply and immediate action.

Thanking you.

Yours faithfully,
for GREATER MYSORE RAYON-GRADE PULP & PAPER MILLS LTD:

(S.V.VISVANATHAN)
Managing Director.

Copy to:
1.The Chief Secretary,
Govt.of Mysore,
Bangalore.

2.The Deputy Secretary,
Forest & Agriculture Dept.,
Govt.of Mysore, Bangalore, with blue print.

"RAYONPULP"

Telephone: Office: 71301
Residence: 70119

Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd.

S. V. Viswanathan,
MANAGING DIRECTOR

REGISTERED OFFICE
6-E, BRIGADE ROAD
BANGALORE-1

Date 25th April 1962.

Secy. A&F. to put up the connected papers in continuation of this office petition no. p. 659/dated 25/4/62
BR 26/4/62

The Chief Minister,
Government of Mysore,
Bangalore.

Dear Sir,

Factory at Kalsur for manufacture of Rayon grade Dissolving Pulp.
Land for Construction of Mill Building & Reservoir.

I very much regret to have to direct your attention once again to the above matter, which is considerably delaying our progress for setting up our Factory for manufacture and production of Rayon grade Dissolving Pulp.

Ever since the incorporation of my Company I have been requesting the Government to allot me immediately the area required for the Factory, Colony etc. and also for the construction of a Reservoir, but up till now no progress has been made in this direction.

The Foundation Stone for this Factory was laid exactly a year ago, and even though the Government of India has given top priority for my Company, and everything has been finalised with them, including the Foreign Exchange, in record time, we are still awaiting the handing over and clearance of the forest area for setting up the Factory and Construction of Dam, and are always given the same lame excuse that "the matter is under consideration". As such, we find it difficult to progress and maintain our schedule, and have been accused and criticised all round that we are not able to push through our Scheme, but in spite of all the humiliations, and the inordinate delay, I am pretty confident, by the grace of God that I shall maintain it.

My promise to the Govt. of India was that my Company would go into production by 1963, but I regret to state that I have received no help, support or co-operation from State Govt. level, which is indeed a real set-back for me, a local man, taking the big risk in starting such a mighty industry which nobody has attempted so far. An impression appears to have been created in the minds of the people of the Depart-

../..

mental organisation that outsiders are more capable than local people, however, I do not want to elaborate on this question at any length. I had also been to meet the Forest Minister this morning to explain my difficulties and the shabby way in which I have been treated in unnecessarily delaying finalisation of my matters.

I would also mention, that though your goodself was kind enough to sanction 300 acres and clearance of same to be done by the Company, I am told that the clearance will be done by the Department, which means a further delay, as they will take not less than one year for this, in which case construction work will be considerably delayed, and consequently the production.

As intimated to the Government, we will also need 1625 acres for the Reservoir, and it is difficult to say how long the Department will take to clear this area also, and when we may be able to go into production, at this rate. I am therefore prepared to take the risk of clearing the areas myself, in order to maintain our schedule for production. I am trying to co-operate to the maximum, which should be appreciated by the Government Dept., instead of which the matter is being unnecessarily delayed, and I am in no way happy at the treatment I am receiving from Government level.

My subject has been discussed at various levels in the Ministry, and so many commitments are there, but some are anxious to see that outsiders are benefited rather than a local man, to which I strongly protest.

I am sorry I had to write in this strain, but I am unable to control my feelings at the present state of affairs, since I cannot get any justice in spite of my best endeavours, and trust your goodself will kindly go deeply into the matter and have it finalised as expeditiously as possible.

Thanking you.

Yours faithfully,
for GREATER MYSORE RAYON-GRADE PULP & PAPER MILLS LTD

V.Vis

(S.V.VISVANATHAN)
Managing Director.

Copy to:

Sri S. Nijalingappa,
President, Mysore Pradesh Congress Committee,
Bangalore.

The Forest Minister,
Govt. of Mysore, Bangalore.

Telegrams: "RAYONPULP"

Telephone: OFFICE : 71301
RESIDENCE : 70119

Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd.

S. V. Viswanathan,
MANAGING DIRECTOR

REGISTERED OFFICE
6-E, BRIGADE ROAD
BANGALORE-1

Ref. P 3207

Date 25th April 19 62.

OFFICE OF THE CHIEF MINISTER
No.....
26 APR
OF MYSORE

By order
PS to Chief Minister.

The Chief Minister,
Government of Mysore,
Bangalore.

MYSORE GOVT. SECRETARIAT
No. 12
16 MAY 1962
FOREST DEPT.

Secy.,
A & F.

Dear Sir,

Factory at Kalsur for manufacture of Rayon grade Dissolving Pulp.
Land for Construction of Mill Building & Reservoir.

I very much regret to have to direct your attention once again to the above matter, which is considerably delaying our progress for setting up our Factory for manufacture and production of Rayon grade Dissolving Pulp.

Ever since the incorporation of my Company I have been requesting the Government to allot me immediately the area required for the [illegible], Colony etc. and also for the construction of a Reservoir, but up till now no progress has been made in this direction.

MYSORE GOVERNMENT SECRETARIAT
No. 3672
17 MAY 1962
FORESTS BRANCH

The Foundation Stone for this Factory was laid exactly a year and even though the Government of India has given top priority for my Company, and everything has been finalised with them, including the Foreign Exchange, in record time, we are still awaiting the handing over and clearance of the forest area for setting up the Factory and Construction of Dam, and are always given the same lame excuse that "the matter is under consideration". As such, we find it difficult to progress and maintain our schedule, and have been accused and criticised all round that we are not able to push through our Scheme, but in spite of all the humiliations, and the inordinate delay, I am pretty confident by the grace of God that I shall maintain it.

My promise to the Govt. of India was that my Company would go into production by 1963, but I regret to state that I have received no help, support or co-operation from State Govt. level, which is indeed a real set-back for me, a local man, taking the big risk in starting such a mighty industry which nobody has attempted so far. An impression appears to have been created in the minds of the people of the Depart-

../..

mental organisation that outsiders are more capable than local people, however, I do not want to elaborate on this question at any length. I had also been to meet the Forest Minister this morning to explain my difficulties and the shabby way in which I have been treated in unnecessarily delaying finalisation of my matters.

I would also mention, that though your goodself was kind enough to sanction 300 acres and clearance of same to be done by the Company, I am told that the clearance will be dong by the Department, which means a further delay, as they will take not less than one year for this, in which case construction work will be considerably delayed, and consequently the production.

As intimated to the Government, we will also need 1625 acres for the Reservoir, and it is difficult to say how long the Department will take to clear this area also, and when we may be able to go into production, at this rate. I am therefore prepared to take the risk of clearing the areas myself, in order to maintain our schedule for production. I am trying to co-operate to the maximum, which should be appreciated by the Government Dept., instead of which the matter is being unnecessarily delayed, and I am in no way happy at the treatment I am receiving from Government level.

My subject has been discussed at various levels in the Mimistry, and so many commitments are there, but some are anxious to see that outsiders are benefited rather than a local man, to which I strongly protest.

I am sorry I had to write in this strain, but I am unable to control my feelings at the present state of affairs, since I cannot get any justice in spite of my best endeavours, and trust your goodself will kindly go deeply into the matter and have it finalised as expeditiously as possible.

Thanking you.

Yours faithfully,
for GREATER MYSORE RAYON-GRADE PULP & PAPER MILLS LTD:

S. V. Vis.

(S.V.VISVANATHAN)
Managing Director.

Copy to:

Sri S. Nijalingappa,
President, Mysore Pradesh Congress Committee,
Bangalore.

The Forest Minister,
Govt. of Mysore, Bangalore.

Gram: "RAYONPULP"

Telephone: { OFFICE : 71301
RESIDENCE : 70119

Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd.

S. V. Viswanathan
MANAGING DIRECTOR

REGISTERED OFFICE
6-E, BRIGADE ROAD
BANGALORE-1

Ref. .....

Date 3rd May 19 62.

The Chief Minister,
Government of Mysore,
Vidhana Soudha,
Bangalore.

Dear Sir,

Factory for manufacture of Rayon Grade Dissolving Pulp at Kalsur.

I thank you for the personal interview granted to me, along with my Chief Engineer and Contractor, this afternoon, and I am really grateful for the patient hearing given in allowing me to explain, in the presence of the Forest Minister, the exact position of the progres of my Company. I have no words to express my sincere gratitude for the fair and broad-minded attitude adopted during this discussion, and the assurance that justice will be meted out to me and my Company.

I am also grateful for the kind orders to the Forest Minister to put up the file for the balance of 100 acres to be released immediately, having explained my difficulties in this connection, and your advice to the Hon. Forest Minister to visit the area and check the physical position with regard to the area required for the construction of Reservoir, i.e. 1625 acres. I am sure that the Hon'ble Minister for Forests will arrange an early visit to the area and take a final decision and place the same before your goodself for final approval. I need not explain to you the further difficulties with regard to the fast approaching monsoon, and would request that the area may kindly be handed over to me for the Reservoir also before the monsoons.

As is known to your goodself, I am expected to start this Industry within a period of two years, and I have only six months left to catch up, however, I shall endeavour my best to see my schedule is maintained, with your kind and ready support.

I might mention that the area of 1625 acres selected for the Reservoir contains no valuable plantations, and is not a high forest area, the whole area being a thick jungle, hence the Government will not lose anything by allotting it to me for the construction of Reservoir.

I enclose, for your ready reference, a copy of letter No.AFD 20 PAC 58 dated 13th July 1961 from the Under Secretary to Govt., Agriculture & Forest Dept. to the Chief Conservator of Forests in Mysore, with copy endorsed to us, enclosing proceedings of the Meeting held in the Chambers of the Secry. to Govt., Agriculture & Forest Dept., on 4-2-1961, with regard to our subjects, some of the points having come up for discussion at our meeting yesterday.

I trust the matter will receive due consideration, and early orders may please be passed, to enable us to make a rapid progress.

Thanking you once again.

Youre faithfully,
for GREATER MYSORE RAYON-GRADE PULP & PAPER MILLS LTD.

S. V. Vish.
(S.V.VISVANATHAN)
Managing Director.

Enc:

Copy to: The Minister for Forest & Agriculture,
Government of Mysore,
Bangalore.

GOVERNMENT OF MYSORE.

134

No.AFD 20 FAC 58

Mysore Government Secretariat,
Vidhana Soudha,
Bangalore, Dated 13 July 1961

From

The Secretary to the Government of Mysore,
Agriculture & Forest Department,
Bangalore.

To

The Chief Conservator of Forests in Mysore,
Bangalore.

Sir,

Subject:- Greater Mysore Rayon Grade Pulp and Paper Mills Ltd. - Problems relating to -

In enclosing a copy of the proceedings of the meeting held in the Chambers of the Secretary to Government, Agriculture and Forest Department on 4th February 1961, I am directed to request you to forward a revised draft agreement to be executed by the Company in the light of these proceedings. The royalty may be provisionally fixed at Rs.2/- per ton of bamboos subject to the condition that after a period of 5 years it will be enhanced by not less than Rs.6/- per ton of bamboos. The period of lease will be 30 years. The rent to be charged for the land will be Rs.80/- per acre per annum.

2. If need arises the Company must also give financial help to afforest the area with bamboos and softwoods to ensure continuous supply of raw materials to the Company.

3. An early action will be appreciated.

Yours faithfully,
Sd/-
(S.V.Prabhu)
Under Secretary to Government,
Agriculture & Forest Department.

Copy together with a copy of the aforesaid proceedings forwarded to Shri S. V. Visvanathan, Managing Director, Greater Mysore Rayon Grade Pulp and Paper Mills Ltd., 6-E, Brigade Road, Bangalore.1., for information and with a request to get into contact with the Chief Conservator of Forests and finalise the draft agreement early.

Sd/- (S. V. Prabhu)
Under Secretary to Government,
Agriculture & Forest Department.

TRUE COPY

gap/-

PROCEEDINGS OF THE MEETING HELD IN THE CHAMBERS OF THE SECRETARY TO GOVERNMENT, AGRICULTURE AND FOREST DEPARTMENT ON SATURDAY THE 4TH FEBRUARY 1961 AT 11 A.M.

185

1. Secretary to Government, Agriculture and Forest Department.
2. Secretary to Government, Commerce & Industries Department.
3. Deputy Secretary to Government, Revenue Department.
4. Deputy Secretary to Government, Public Works Department.
5. Deputy Secretary to Government, Agriculture and Forest Department.
6. Under Secretary to Government, Local Self Government Department.
7. Chief Conservator of Forests in Mysore, Bangalore.

- - - - -

The agreement to be entered into between the Government on the one hand and the Greater Mysore Rayon Gradd Pulp and Paper Mills, Ltd., was discussed in detail with particular reference to the following points:

1. WATER AND POWER SUPPLY: The important source of water supply to this industry and for the colony is from river BEDTHI. This is not perennial and there will not be much water during summer months. For ensuring an uninterrupted, continuous and adequate supply of water, there is a great necessity for the construction of a dam to store water.

2. During discussions it was also brought to the notice of the members by the Deputy Secretary, Public Works Department that there is every likelihood of the site where the factory is proposed to be built as well as part of area from which the raw materials are drawn being submerged as the Public Works Department have plans to put up a Power Project on Bedthi river. It was also explained that the Project report is ready even though it is not known when exactly the construction is likely to be taken up.

3. The Public Works Department is of the view that the dam proposed to be constructed by the promoters should be done under the supervision of the Public Works Department authorities who should also be allowed to attend to its maintenance, Otherwise, the Public Works Department will put up a dam at the cost of the company and the water will be sold at the scheduled rates.

4. The question of supply of power from Bhadra Project is to be examined further in view of the previous commitments to other industrial concerns. The promoters may be advised to switch on to thermal plants or generators fed on diesel oil. It is presumed

136

that the Bhadra Project is likely to come up only in 1962. The alternative for power supply in the circumstances is from the Sharavati which is expected to go into commission by the end of 1962.

5. The question of supply and the rate of power will have to be taken up with the Mysore Electricity Board by the promoters. There are seaprate schedules for supply of power and the promoters will have to enter into separate agreement with the Mysore State Electricity Board. The present agreement need not include this point.

6. SUPPLY OF RAW MATERIALS: This factory requires 1,32,000 tons of Bamboos as raw material per annum. Chief Conservator of Forests is of the view that no guarantee regarding the supply of raw materials could be given. The whole forest area in Kanara excluding areas already allotted to the West Coast Paper Mills may be allotted to this factory keeping 20,000 tons of Bamboo for the normal public demand. This, the Chief Conservator of Forests considers sufficient for an initial production of 100-115 tons. The Secretary, Commerce and Industries agreed with the Chief Conservator of Forests.

7. ROYALTY: The Chief Conservator of Forests is of the view that there should be concession in this behalf during the first five years (Rs.2/- a ton for air dry bamboo may be levied) and he suggested that rise in royalty rates after 5 years should not be less than Rs.6/- in subsequent years. It is also necessary to mention that the royalty will be on the basis of raw material drawn and not on the basis of manufactured product.

8, BLASTING OPERATIONS AND DISCHARGE OF TRADE EFFLUENTS:

There is no objection from the Local Self Government Department. The Under Secretary said that the agreement is in order. It was also brought to the notice of the Committee that there is going to be a central legislation on the subject and the provisions in the agreement are in conformity with the proposed legislation. Pending legislation the company will abide by such instructions as may be issued by the Director of Public Health and see that the company makes arrangements to put up a recovery plant to clear trade effluents before they are discharged.

9. The company should be asked to sink wells along the borders of the river as an alternative source of water supplied for cattle and men of nearby village.

.. 3 ..

10. GRANT OF LAND: An extent of 600 acres may be earmarked and the land released whenever it is required by the company on 30 year lease basis with an option for renewal after the expiry of the 30 year period. The reasonable rent to be fixed should not be less than Rs.80/- an acre per annum as has been done in the case of the West Coast Paper Mills, Ltd.

11. The Chief Conservator of Forests has stated that he has taken up plantations of Eucalyptus, Kydia and similar softwoods to provide an alternative source of raw material and the plantations are likely to come to maturity in a period of 5-6 years.

In the light of these, it was decided that the agreement needs to be revised. The Chief Conservator of Forests will be requested to send up a revised agreement.

Sd/-

(T. V. Reddi)
Secretary to Government,
Agriculture & Forest Department.

'Copy'

Sd/- (S.V. Prabhu)
Under Secretary to Government,
Agriculture and Forest Department.

gap/-

Telegram: "RAYONPULP"

Telephone: OFFICE : 71301
RESIDENCE : 70119

Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd.

S. V. Viswanathan,
MANAGING DIRECTOR

REGISTERED OFFICE
6-E, BRIGADE ROAD
BANGALORE-1

Ref. _____

The request may be examined early & orders passed.

Date 3rd May 1962.

Secy.A&FD)

CHIEF MINISTER.
10/5/1962.

14/5/62

AGRICULTURE & FOREST SECRETARIAT
924
14 MAY 1962
GOVERNMENT OF MYSORE

The Chief Minister,
Government of Mysore,
Bangalore.

Dear Sir,

Releasing of forest land for Factory at Kalsur, North Kanara District.

We are pleased to receive intimation today, as per letter No.AFD 20 FAC 58 dated 2-5-62 from the Secretary to the Govt. of Mysore, Agriculture & Forest Dept., that orders have been passed for the release of 200 acres of Forest Land at Kalsur for our factory, for which we are greatly obliged. At the same time, we would request you to kindly consider the facts, as explained in our letter of date addressed to The Secretary, Agriculture & Forest Dept., as per copy enclosed, and trust you will kindly issue orders to release the 300 acres already demarcated, and that the matter may be given top priority.

Thanking you for your kind attention.

Yours faithfully,
for GREATER MYSORE RAYON-GRADE PULP & PAPER MILLS LTD:

MYSORE GOVERNMENT SECRETARIAT
NO. 2640
16 MAY 1962
FOREST BRANCH

(S.V.VISVANATHAN)
Managing Director.

Enc:

Telegram: "RAYONPULP"

Telephone: { OFFICE : 71301
RESIDENCE : 70119

Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd.

S. V. Viswanathan,
MANAGING DIRECTOR

REGISTERED OFFICE
6-E, BRIGADE ROAD
BANGALORE-1

Ref.....

Date 3rd May 19 62.

The Secretary to the Govt.of Mysore,
Agriculture & Forest Dept.,
Bangalore.

Dear Sir,

Releasing of forest land measuring 200 acres for Factory at Kalsur, N.K.District.

We acknowledge with thanks receipt of your letter Ref:AFD 20 FAC 58 dated 2nd May 1962, and whilst we greatly appreciate and thank your goodself for the information contained therein that "orders have been passed for the release of 200 acres of Forest Land at Kalsur for our factory", we would like to point out, (as per our letter dated 16th April 1962 addressed to the Minister for Forest & Agriculture with copy to your goodself), that on consultation with our Chief Engineer, Mr. J. Beuve, it will not be possible to work on the plans in this limited area, and would request that an area of at least 300 acres be handed over to us immediately, so that we may commence our work.

Further, we would state, that since the demarcation of 300 acres of Forest area at Kalsur has already been completed by the Divisional Forest Officer, E.D. Kanara, Dharwar, and the listing of trees has also been completed in that area, as per letter No.FOR/GEN/82 of 1961-62 dated 1st November '61 addressed to us by the Divisional Forest Officer, Kanara Eastern Dvn., Dharwar, both unnecessary expenditure and delay would be involved in having the area demarcated again and cutting off the 100 acres from that already completed (300 acres). Besides, we intend cutting our bamboos during the next season, and will require space for storage, hence we request you once again, in order to avoid

../..

any further delay, to kindly sanction and hand over to us the 300 acres already demarcated.

We trust you will kindly take the above facts into consideration, and obtain orders for the release of 300 acres to us, so that we may make some progress without any further delay.

Thanking you for your kind and immediate attention.

Yours faithfully,
for GREATER MYSORE RAYON-GRADE PULP & PAPER MILLS L

S.V.V.

(S.V.VISVANATHAN)
Managing Director.

Copy to: The Chief Minister,
Govt. of Mysore,
Bangalore. for information.

Telegram: "RAYONPULP"

Telephone: Office : 71301
Residence : 70119

191

Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd.

S. V. Viswanathan,
MANAGING DIRECTOR

REGISTERED OFFICE
6-E, BRIGADE ROAD
BANGALORE-1

Chief Secretary may examine and put up a note.

Ref. CMM 318

Chief Minister.

Date 3rd May 1962.

MYSORE GOVERNMENT SECRETARIAT NO. 3679 17 MAY 1962 FOREST BRANCH

CHIEF SECRETARY No. 3814 9 MAY 1962 GOVERNMENT OF MYSORE

DEPUTY SECRETARY 1543-G AGRICULTURE & FOREST BRANCH

The Chief Minister,
Government of Mysore,
Vidhana Soudha,
Bangalore.

Dear Sir,

Factory for manufacture of Rayon Grade Dissolving Pulp at Kalsur.

I thank you for the personal interview granted to me, along with my Chief Engineer and Contractor, this afternoon, and I am really grateful for the patient hearing given in allowing me to explain, in the presence of the Forest Minister, the exact position of the progress of my Company. I have no words to express my sincere gratitude for the fair and broad-minded attitude adopted during this discussion, and the assurance that justice will be meted out to me and my Company.

I am also grateful for the kind orders to the Forest Minister to put up the file for the balance of 100 acres to be released immediately, having explained my difficulties in this connection, and your advice to the Hon. Forest Minister to visit the area and check the physical position with regard to the area required for the construction of Reservoir, i.e. 1625 acres. I am sure that the Hon'ble Minister for Forests will arrange an early visit to the area and take a final decision and place the same before your goodself for final approval. I need not explain to you the further difficulties with regard to the fast approaching monsoon, and would request that the area may kindly be handed over to me for the Reservoir also before the monsoons.

As is known to your goodself, I am expected to start this Industry within a period of two years, and I have only six months left to catch up, however, I shall endeavour my best to see my schedule is maintained, with your kind and ready support.

../..

R. J. REBELLO,
Chief Secretary.

Sey A&F

AGRICULTURE & FOREST SECRETARIAT No. 906 11 MAY 1962 GOVERNMENT OF MYSORE

Pl put up a note and submit C.S. for perusal. Ely Secy 11-5

14/5 16/5/62

I might mention that the area of 1625 acres selected for the Reservoir contains no valuable plantations, and is not a high forest area, the whole area being a thick jungle, hence the Government will not lose anything by allotting it to me for the construction of Reservoir.

I enclose, for your ready reference, a copy of letter No.AFD 20 FAC 58 dated 13th July 1961 from the Under Secretary to Govt., Agriculture & Forest Dept. to the Chief Conservator of Forests in Mysore, with copy endorsed to us, enclosing proceedings of the Meeting held in the Chambers of the Secry. to Govt., Agriculture & Forest Dept., on 4-2-1961, with regard to our subjects, some of the points having come up for discussion at our meeting yesterday.

I trust the matter will receive due consideration, and early orders may please be passed, to enable us to make a rapid progress.

Thanking you once again.

Yours faithfully,
for GREATER MYSORE RAYON-GRADE PULP & PAPER MILLS LTD:

S. V. Vis.

(S.V.VISVANATHAN)
Managing Director.

Enc:

GOVERNMENT OF MYSORE.

193

No.AFD 20 FAC 58

Mysore Government Secretariat,
Vidhana Soudha,
Bangalore, Dated 13 July 1961

From

The Secretary to the Government of Mysore,
Agriculture & Forest Department,
Bangalore.

To

The Chief Conservator of Forests in Mysore,
Bangalore.

Sir,

Subject:- Greater Mysore Rayon Grade Pulp and Paper Mills Ltd. - Problems relating to -

---

In enclosing a copy of the proceedings of the meeting held in the Chambers of the Secretary to Government, Agriculture and Forest Department on 4th February 1961, I am directed to request you to forward a revised draft agreement to be executed by the Company in the light of these proceedings. The royalty may be provisionally fixed at Rs.2/- per ton of bamboos subject to the condition that after a period of 5 years it will be enhanced by not less than Rs.6/- per ton of bamboos. The period of lease will be 30 years. The rent to be charged for the land will be Rs.80/- per acre per annum.

2. If need arises the Company must also give financial help to afforest the area with bamboos and softwoods to ensure continuous supply of raw materials to the Company.

3. An early action will be appreciated.

Yours faithfully,
Sd/-
(S.V.Prabhu)
Under Secretary to Government,
Agriculture & Forest Department.

Copy together with a copy of the aforesaid proceedings forwarded to Shri S. V. Visvanathan, Managing Director, Greater Mysore Rayon Grade Pulp and Paper Mills Ltd., 6-E, Brigade Road, Bangalore.1., for information and with a request to get into contact with the Chief Conservator of Forests and finalise the draft agreement early.

Sd/- (S. V. Prabhu)
Under Secretary to Government,
Agriculture & Forest Department.

3.14.

TRUE COPY

gap/-

PROCEEDINGS OF THE MEETING HELD IN THE CHAMBERS OF THE SECRETARY TO GOVERNMENT, AGRICULTURE AND FOREST DEPARTMENT ON SATURDAY THE 4TH FEBRUARY 1961 AT 11 A.M. 194

1. Secretary to Government, Agriculture and Forest Department.
2. Secretary to Government, Commerce & Industries Department.
3. Deputy Secretary to Government, Revenue Department.
4. Deputy Secretary to Government, Public Works Department.
5. Deputy Secretary to Government, Agriculture and Forest Department.
6. Under Secretary to Government, Local Self Government Department.
7. Chief Conservator of Forests in Mysore, Bangalore.

- - - - -

The agreement to be entered into between the Government on the one hand and the Greater Mysore Rayon Grade Pulp and Paper Mills, Ltd., was discussed in detail with particular reference to the following points:-

1. WATER AND POWER SUPPLY: The important source of water supply to this industry and for the colony is from river BEDTHI. This is not perennial and there will not be much water during summer months. For ensuring an uninterrupted, continuous and adequate supply of water, there is a great necessity for the construction of a dam to store water.

2. During discussions it was also brought to the notice of the members by the Deputy Secretary, Public Works Department that there is every likelihood af the site where the factory is proposed to be built as well as part of area from which the raw materials are drawn being submerged as the Public Works Department have plans to put up a Power Project on Bedthi river. It was also explained that the Project report is ready even though it is not known when exactly the construction is likely to be taken up.

3. The Public Works Department is of the view that the dam proposed to be constructed by the promoters should be done under the supervision of the Public Works Department authorities who should also be allowed to attend to its maintenance, Otherwise, the Public Works Department will put up a dam at the cost of the company and the water will be sold at the scheduled rates.

4. The question of supply of power from Bhadra Project is to be examined further in view of the previous commitments to other industrial concerns. The promoters may be advised to switch on to thermal plants or generators fed on diesel oil. It is presumed

that the Bhadra Project is likely to come up only in 1962. The alternative for power supply in the circumstances is from the Bharavati which is expected to go into commission by the end of 1962.

5. The question of supply and the rate of power will have to be taken up with the Mysore Electricity Board by the promoters. There are seaprate schedules for supply of power and the promoters will have to enter into separate agreement with the Mysore State Electricity Board. The present agreement need not include this point.

6. SUPPLY OF RAW MATERIALS: This factory requires 1,32,000 tons of Bamboos as raw material per annum. Chief Conservator of Forests is of the view that no guarantee regarding the supply of raw materials could be given. The whole forest area in Kanara excluding areas already allotted to the West Coast Paper Mills may be allotted to this factory keeping 20,000 tons of Bamboo for the normal public demand. This, the Chief Conservator of Forests considers sufficient for an initial production of 100-115 tons. The Secretary, Commerce and Industries agreed with the Chief Conservator of Forests.

7. ROYALTY: The Chief Conservator of Forests is of the view that there should be concession in this behalf during the first five years (Rs.2/- a ton for air dry bamboo may be levied) and he suggested that rise in royalty rates after 5 years should not be less than Rs.6/- in subsequent years. It is also necessary to mention that the royalty will be on the basis of raw material drawn and not on the basis of manufactured product.

8, BLASTING OPERATIONS AND DISCHARGE OF TRADE EFFLUENTS:

There is no objection from the Local Self Government Department. The Under Secretary said that the agreement is in order. It was also brought to the notice of the Committee that there is going to be a central legislation on the subject and the provisions in the agreement are in conformity with the proposed legislation. Pending legislation the company will abide by such instructions as may be issued by the Director of Public Health and see that the company makes arrangements to put up a recovery plant to clear trade effluents before they are discharged.

9. The company should be asked to sink wells along the borders of the river as an alternative source of water supplied for cattle and me of nearby village.

.. 3 ..

10. GRANT OF LAND: An extent of 600 acres may be earmarked and the land released whenever it is required by the company on 30 year lease basis with an option for renewal after the expiry of the 30 year period. The reasonable rent to be fixed should not be less than Rs.80/- an acre per annum as has been done in the case of the West Coast Paper Mills, Ltd.

11. The Chief Conservator of Forests has stated that he has taken up plantations of Eucalyptus, Kydia and similar softwoods to provide an alternative source of raw material and the plantations are likely to come to maturity in a period of 5-6 years.

In the light of these, it was decided that the agreement needs to be revised. The Chief Conservator of Forests will be requested to send up a revised agreement.

Sd/-

(T. V. Reddi)
Secretary to Government,
Agriculture & Forest Department.

'Copy'

Sd/- (S.V. Prabhu)
Under Secretary to Government,
Agriculture and Forest Department.

gap/-

Telegram : "RAYONPULP"

Telephone : { OFFICE 71301
RESIDENCE : 70410

192

Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd.

S. V. Viswanathan,
MANAGING DIRECTOR

REGISTERED OFFICE:
6-E, BRIGADE ROAD,
BANGALORE-1.

SECRETARIAT & FOREST DEPT. 16 MAY 1962

Ref. 11

P3204.

16/5/62

Date 1st May 19 62

MYSORE GOVERNMENT SECRETARIAT
No. 3621
17 MAY 1962
FOREST BRANCH

The Minister for Forest & Agriculture,
Government of Mysore,
Bangalore.

Dear Sir,

Re: Land required for Construction of Dam.

With reference to my personal conversation with your goodself this morning, I wish to bring to your kind attention once again the handing over of the area required for the construction of Reservoir for storage of water for my Project - 1625 acres, being the actual area required in this connection.

As it is known to your goodself, this is a very big Project of great National importance, due to the large amount of Foreign Exchange it will save, and I am answerable to the Government of India for maintaining my schedule and going into Production by the end of 1963, which it is almost impossible to do unless my matters are given top priority and finalised at State Government level, since it has already been considerably delayed. I have written letter after letter at Secretariat level, but there has been no response, nor even an acknowledgment.

I shall be personally grateful if the question of land - 1625 acres - for construction of Reservoir is finalised by your goodself immediately, before the monsoon starts, which is very severe in North Kanara, and means wasting a whole year and making no progress whatsoever, unless this is settled immediately. As you know, I have finalised with my Contractors at Bombay, for the Construction of the Dam, but they are not in a position to start for want of the land, and I am unable to inform them how long it will take to finalise these matters. My bamboos also will be cut down during the next Season, and storage space for this will be needed.

As already mentioned above, this Industry being of

National importance, it was expected that full co-operation and support would be given at Government level, but in view of the inordinate delay which is taking place, I will also not be in a position to pay demurrage on the machineries which are expected to reach India very soon, and being a Public Limited Company I am answerable to the public share-holders.

I do not want to trouble you with all this and keep writing repeatedly on the same subject, but feel sure you will appreciate my difficulties, due to the unnecessary delay

Once again I therefore request you to very kindly give topmost priority in finalising my matters at the earliest, and trust you will very kindly pass orders to the Secretaries' level to see that this is done.

Thanking you for your kind and immediate attention.

Yours faithfully,
for GREATER MYSORE RAYON-GRADE PULP & PAPER MILLS LTD

V. Vish

(S.V.VISVANATHAN)
Managing Director.

Copy to:
The Chief Minister,
Government of Mysore,
Bangalore.

199

MEMORANDUM AND ARTICLES

OF

ASSOCIATION

OF

Greater Mysore Rayon Grade Pulp and Paper Mills Limited

Form 1.

CERTIFICATE OF INCORPORATION

No. 1271 of 1959

I hereby certify that GREATER MYSORE RAYON GRADE PULP AND PAPER MILLS LIMITED

is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the Company is Limited.

Given under my hand at BANGALORE

this 19TH day of NOVEMBER

One thousand nine hundred and FIFTY-NINE/28TH KARTHIK 1881 (S.E.)

(M. BHASKARA RAO)
Registrar of Companies.
MYSORE, BANGALORE.

THE REGISTRAR OF COMPANIES MYSORE

MFP—1037 ISC—12401—(C-1033)—19-3-57—15,000

200

GREATER MYSORE RAYON GRADE PULP AND PAPER MILLS LIMITED

Contents of Constitution

Part One — Memorandum of Association

Object No.	Subject Matter.
I.	Name of the Company.
II.	Registered Office of the Company.
III.	Objects:—

1. To manufacture Rayon Grade Pulp.
2. To manufacture all kinds of paper.
3. To manufacture rayon and all kinds of yarns.
4. To manufacture chemicals and other products.
5. To do cultivation.
6. To gin, spin etc.
7. To work pulp and paper plants.
8. To do business of chemical manufacturers.
9. To deal in pulps, sulphites etc.
10. To be iron and brass smiths etc.
11. To deal in land, buildings and immovable properties.
12. To purchase machinery, plant etc.
13. To be Architects.
14. To deal in generation and supply of electricity.
15. To act as Engineers.
16. To do business of water-works.
17. To deal in all mineral products.
18. To promote companies, industries etc.
19. To deal in rubber products.
20. To be type-founders etc.
21. To enter into contracts.
22. To make advance payments.
23. To establish agencies.
24. To transact agency business.
25. To enter into partnerships.
26. To acquire other business.
27. To acquire managerial rights.

28. To acquire shares in other companies.
29. To sell undertaking.
30. To amalgamate with others.
31. To pay for rights.
32. To acquire licenses, rights etc.
33. To obtain statutory powers.
34. To acquire patent rights.
35. To enter into arrangements with Governments.
36. To acquire lease, grants etc.
37. To conduct researches.
38. To publicise.
39. To construct utility works.
40. To acquire other companies.
41. (a) To donate for public benefits.
    (b) To subscribe to charitable, scientific and political purposes.
42. To appropriate land for public use.
43. To assist associations.
44. To provide amenities to employees.
45. (a) To borrow or raise money.
    (b) To enter into Deferred Payment Contracts.
46. To guarantee payments.
47. To receive deposits.
48. To lend or invest.
49. To invest and deal in money.
50. To create funds.
51. To distribute Company's property among its Members.
52. To manage trusts.
53. To open Bank Accounts.
54. To draw cheques and bills.
55. To pay preliminary and other expenses.
56. To do all things to achieve Company's objects.
57. The Company's objects to extend to all States in Indian Union.

IV. Company's Members' Liability is Limited.

V. Share Capital of the Company.

GREATER MYSORE RAYON GRADE PULP AND PAPER MILLS LIMITED

Contents of Constitution

Part Two — Articles of Association

Article No.	Subject Matter
1.	I. PRELIMINARY
2.	II. INTERPRETATIONS AND MEANINGS
3.	III. REGISTERED OFFICE OF THE COMPANY
	IV. SHARE CAPITAL
4.	(a) Share Capital.
	(b) Redeemable Preference Shares—right to issue.
	(c) Rights of Redeemable Preference Share-holders to Dividends.
	(d) Rights of Redeemable Preference Share-holders in winding up.
	(e) Calculation of Dividend on Redeemable Preference Shares.
	(f) Rate of Dividend on Redeemable Preference Shares.
	(g) Redemption of Preference Shares.
	(h) Earlier redemption of Preference Shares.
	(i) Rights of Equity Share-holders in winding up.
5.	(a) Board of Directors' control of Share Capital.
	(b) Board of Directors' right to issue shares for consideration other than cash.
6.	(a) Minimum subscription when issue to Public is made.
	(b) Minimum subscription when allotment is made on basis of statement in lieu of Prospectus.
7.	Company not to invest in its own shares.
8.	Due date of instalments.
9.	Liability of Joint-holders.
10.	Trusts not recognised.
11.	Joint holding.
	(a) Joint holding not to exceed four persons.
	(b) Liability of Joint-holders.
	(c) Benefit of survivorship in joint-holding.
	(d) Discharge in Joint-holding.
	(e) First-named Joint-holder to receive share certificates, notices etc.
12.	Calls on shares of same class to be on uniform basis.

13. Payment of interest out of capital.
14. (a) Commission for placing shares etc.
(b) Brokerage.
15. Guarantee commission.
16. Premium on shares and its application.
17. (a) Application and Allotment Register.
(b) Register of Members etc.
18. Return of Allotment.

V. CERTIFICATES

19. (a) Share Certificates.
(b) Period within which to issue Share Certificates.
20. Member's right to Share Certificate.
21. Form and denomination of Certificates.
22. Renewal of Certificates.
23. Conditions of issue of Duplicate Share Certificates.
24. Authentication for endorsements of Transfer.

VI. CALLS ON SHARES

25. (a) Calls on shares.
(b) Place and Date for Payment of calls.
26. When call deemed to have been made.
27. (a) Maximum amount for a call.
(b) Interval between calls.
(c) Call payable by instalment.
28. Calls to be on uniform basis.
29. Extension of time for payment of call.
30. Liability of joint-holders to pay call.
31. Board's right to revoke a call.
32. (a) Payment of interest on calls in arrears.
(b) Board's right to waive interest on calls in arrears.
33. Calls payable at fixed times or by instalments.
34. Evidence in action for call.
35. (a) Payment of calls in advance.
(b) Calls in advance not to rank for dividend etc.
(c) Board's right to repay calls in advance.

VII. FORFEITURE AND LIEN

36. Notice to be given for non-payment of call.
37. Form of notice.
38. Non-compliance of notice and forfeiture of Shares.
39. Effect of forfeiture.
40. Notice of forfeiture and entry thereof.
41. Forfeited share to become property of Company.
Board's power to effect sale.

42. Re-issue of forfeited share.
43. Member's liability to pay calls notwithstanding forfeiture.
44. Evidence of forfeiture.
45. Company's lien on partly paid Shares.
46. Enforcement of lien by sale.
47. Application of sale proceeds.
48. Registration of purchasers of such forfeited Shares.
49. Board may issue new certificates (if the former holder does not surrender certificates after forfeiture).

VIII. TRANSFER AND TRANSMISSION

50. Execution of Transfer.
51. Form of Transfer.
52. Certificate to accompany Transfer Deed and evidence of title of transferor (where required).
    (a) Transfers not accompanying certificates to comply with Board's requirements.
    (b) Transferor by operation of Law.
    (c) Board not to investigate transfers.
53. Transfers by legal representatives.
54. Who can make application for transfer.
    (a) Company to give notice to transferee of partly-paid shares.
    (b) When notice deemed to be delivered.
55. No transfer to infants etc.
56. Transferor to remain holder until registration of transfer.
57. Board's right to decline to register transfer.
58. Notice of refusal to be given to transferor and transferee.
59. When transfers are to be retained by the Company.
60. Fee on transfer.
61. No fee for registration of probates etc.
62. Register of Transfers to be kept.
63. Only legal representative of deceased holder recognised.
64. Title of persons to shares of deceased or bankrupt members.
65. Shares of deceased members.
66. Conditions for recognition of legal representation.
67. Transfer of Shares of deceased, bankrupt, infant or insane members (Transmission Article).
68. Company concerned only with legal title to Shares.
69. Power to close Register of Members etc.

IX. ALTERATION OF CAPITAL

70. Power to increase capital.
71. New Shares to form part of original capital.
72. Conditions of New Issue.
73. Offer of new Shares to existing Equity members.
74. Power to sub-divide share capital.
75. Power to reduce capital.
76. Repayment of capital.

X. SURRENDER OF SHARES

77. Surrender of Shares or Debentures.

XI. MODIFICATION OF RIGHT

78. (a) Power to modify rights.
    (b) Manner of holding separate class meetings.
    (c) Rights of dissentient members.

XII. CONVERSION OF SHARES INTO STOCK

79. Conversion of Shares into Stock.
80. Manner in which Stock may be transferred.
81. Rights of Stock-holders.
    Minimum transferable stock.
82. Regulations relevant to fully paid Shares to apply to stock-holders.

XIII. BORROWING POWERS

83. General Borrowing powers.
84. To raise funds.
85. To make Deferred Payment arrangements and secure long term credits.
86. Issue of Debentures, Promissory Notes etc.
87. Issue of Debentures etc., at a discount.
88. Nomination of special Directors and their cessation.
89. Provision for Capital Redemption Fund.
90. Charge on uncalled capital.
91. Indemnity to Directors and others (against their personal liability on Company account).
92. Register of Mortgages and Charges to be kept.
93. Companies Act to apply where provisions not expressly contained in the Articles.

XIV. GENERAL MEETINGS

94. Statutory Meeting.
95. (a) First Annual General Meeting.
    (b) Subsequent Annual General Meetings.
    (c) Interval between each Annual General Meeting.
96. (a) General Meetings not to be held on Public holidays.
    (b) Extra-Ordinary General Meetings.
97. (a) Who can call Extra-Ordinary General Meetings.
    (b) Companies Act to apply where provisions not expressly contained in Articles.

XV. PROCEDURE AT GENERAL MEETINGS

98. Quorum for General Meetings.
99. What is special and what is ordinary business of General Meeting.

100. (a) Companies Act to apply where provisions not expressly contained in Articles.
(b) Special business.
101. Restrictions on voting rights of Preference Share-holders.
102. Appointment of Proxy.
103. Where Act to apply.
104. Chairman's Casting Vote.
105. Attendance Book and Minutes Book of General Meetings.

XVI. BOARD OF DIRECTORS

106. Constitution of Board of Directors.
107. First Directors.
108. (a) Board to fill casual vacancy.
(b) Government Directors.
(c) Additional Directors to retire at next Annual General Meeting.
(d) Retirement of Directors by rotation.
(e) Founder Managing Director not liable to retire by rotation.

109. Director's qualification.
110. A Director of this Company may become a Director of another Company.
111. Directors may contract with this Company.
112. Companies Act to apply to Directors' interest etc.
113. Alternate Director.
114. (a) Election of Director other than a retiring Director.
(b) Filing of consent to act as Director.
115. (a) Directors' sitting fees.
(b) Directors' travelling and out-of-pocket expenses.
116. Board may pay to Director for any Company's work done by him.

XVII. PROCEEDINGS OF BOARD

117. (a) Election of Chairman.
(b) Chairman's Casting Vote.
118. Board Meeting to be held every three months.
119. Board's quorum.
120. Circular Resolution of the Board.
121. Board's Attendance and Minutes Book.

XVIII. POWERS OF BOARD OF DIRECTORS

122. (a) General Powers of the Board.
(b) Specific Powers of the Board.
i. Commencement of Business.
ii. Payment of Preliminary expenses.
iii. Purchase of property rights.
iv. Mode of payment for acquiring property or rights.
v. To secure fulfilment of contracts.
vi. To appoint officers.
vii. To provide amenities to workers.

viii. To provide Provident Fund etc.
ix. To make regulations.
x. To appoint Trustees to hold Company's property.
xi. Legal proceedings.
xii. Reference to Arbitration.
xiii. To give discharges.
xiv. To authorise issue of bills etc., and operation of Bank accounts.
xv. To appoint Attorneys.
xvi. To deal wiith Company's money.
xvii. To accept surrender of Shares and Debentures.
xviii. To indemnify Directors etc.
xix. To pay commission etc.
xx. To enter into contracts.
xxi. To compensate losses arising out of unauthorised share transfers.
xxii. To provide funds to meet claims.
xxiii. To create funds to meet contingencies, expansions, dividend equalization etc.
xxiv. Foreign Register.
xxv. (a) To approve Common Seal.
(b) To authorise affixture of Common Seal out of India.
xxvi. To pay interim dividends.

122. (c) Delegation of Board's powers.

XIX. MANAGING DIRECTOR

123. Founder Managing Director (Sri S. V. Visvanathan).

XX. SECRETARY

124. Secretary and Financial Adviser and his responsibilities.

XXI. COMMON SEAL

125. (a) Common Seal and its custody.
(b) Affixture of Common Seal.
(c) Sealing of Documents out of India.

XXII. ACCOUNTS

126. Financial Year of the Company.
127. (a) Account Books to be kept at Registered Office.
(b) Accounts to be kept.
(c) Members cannot inspect Account Books.
128. Annual Accounts and their authentication by the Board.
129. Companies Act to be complied with.

208

XXIII. AUDIT

130. (a) Appointment of First Auditor(s).
(b) Appointment of subsequent Auditor(s).

XXIV. RESERVES, DEPRECIATION FUND AND EMPLOYEES BENEVOLENT FUND

131. Amounts to be set aside before declaring Dividend. . .
132. Company's contribution to Employees' Benevolent Fund.
133. Reserves to remain property of the Company.

XXV. DIVIDENDS

134. Dividend out of profit only.
135. Finality of Board's declaration of net profit.
136. (a) Company to declare dividend.
(b) Time and place of payment of Dividend.
137. Company not to declare larger Dividend than recommended by Board.
138. Calls in advance not to rank for Dividend etc.
139. Board may declare interim Dividend.
140. Company's right to retain Dividend.
141. Member in default not entitled to Dividend.
142. No right to Dividend until registration of transfer.
143. Dividend on Shares in transmission.
144. Dividend set off against Call.
145. Dividend in kind.
146. Repayment of capital from surplus monies.
147. Discharge of Dividend receipts by joint-holders.
148. Company not responsible for wrong payment of Dividend.
149. Notice of interim Dividend.
150. Where application of the Act is necessary.

XXVI. CAPITALISATION OF RESERVES AND OF PROFITS

151. (a) Capitalisation of Reserves etc.
(b) Board to appoint person to make contract for share to be issued.
(c) Board to settle any difficulty.

XXVII. NOTICES

152. Authentication of notices.
153. (a) How notices will be sent.
(b) Notice sent by post.
154. Notice to Joint-holders.
155. Notice to members not having registered address.
156. Notice to legal representatives.
157. Notice of General Meetings.

209

158. Where application of the Act is necessary.
159. Company not responsible for accidental omission to send notices.
160. XXVIII. Reconstruction.
161. XXIX. Winding Up.
162. XXX. Indemnity.
163. XXXI. Secrecy.

Memorandum of Association

OF

GREATER MYSORE RAYON GRADE PULP AND PAPER MILLS LIMITED

I. The Name of the Company is **Greater Mysore Rayon Grade Pulp and Paper Mills Limited.**

II. The Registered Office of the Company will be situated in the State of Mysore.

III. The OBJECTS for which the Company is established are:—

To manufacture Rayon Grade Pulp:

(1) To carry on the business of manufacture of Rayon Grade Pulp, artificial silks, rayon, nylon or any other types of yarn for textile and other use, and cloth, fabrics and linen from any base whether organic or inorganic or compounds or mixtures thereof, by physical, chemical, or any other process or treatment now prevalent, or as may be devised in future particularly from bamboos, softwood, sugarcane bagasse and or any other raw materials or fibrous material and, to process, convert, twist, alter, buy, sell, export, import, exchange and/or otherwise handle, deal in such Rayon grade pulp, yarn, fabrics, linen and cloth of all kinds, sorts, qualities, varieties and specifications.

To manufacture all kinds of paper:

(2) To carry on the business of manufacture of chemical paper, writing paper, newsprint paper, wrapping paper, kraft paper, carbon paper, photographic paper, card-boards, straw-boards, corrugated boards, mechanical pulp, sulphite pulp, filter paper, art paper etc., etc., and paper, derivatives and forms thereof, all sorts, kinds, varieties, and specifications used for different, several and various purposes and to manufacture and or deal in any articles, things, products, bye-products, substitutes connected with pulp and paper industry and manufacture of pulp and paper by any process or treatment chemical, mechanical, physical or otherwise, which may seem to the Company capable of being conveniently carried on in connection with the objects and aims of the Company calculated directly or indirectly to enhance the value of or render profitable any of the Company's property products or rights or business or activities including the power to carry as one of the main and several main objects of the Company as follows:

To manufacture rayon and all kinds of yarns:

(3) To carry on the business of manufacture of rayon yarns, filament (continuous) rayon, artificial silk yarn, all kinds, varieties and sorts of synthetic fibres, staple fibre and yarns, spun rayon, cellulose, auxilliary chemical products, allied products, bye-products, substitutes, transparent paper, any or all these for textiles or other uses.

To manufacture chemical and other products:

(4) To convert, treat or turn to account by any process or method of manufacture, chemical, synthetic or otherwise or in any other manner, timber, wood, cotton linters, droppings, fly, cotton waste, cotton seeds, bamboos, sugar-cane bagasse, grass, straw, jute, jute sticks, scisal fibre, flax, hemp, hessian, gunnies, leather, asbestos, rags, waste paper, water hyacinth, or any kind of pulp or other substances prepared from any or all these or from other vegetables, minerals, chemicals, or any other substances and to prepare, manufacture, cut, spin, weave, or knit fibres or fibrous materials, filament. yarn, cords, cloth whether grey, bleached, unbleached, dyed, printed, knitted, knotted, looped, creeped, crinkled, or felt, and such other fabrics, yarns, and things, products, bye-products, substitutes, as may be practicable or deemed in the interest of the Company.

To do cultivation:

(5) To grow, cultivate, produce, raise, manufacture, purchase, sell, import, export or otherwise handle or deal in pulp, timber, wood, cotton, linters, droppings, fly, cotton waste, cotton seeds, bamboo, grass, jute, jute sticks, scisal fibre, flax, hemp, hessian, gunnies, sugar-cane bagasse, leather, asbestos, rags, waste paper, water hyacinth, or any other vegetable, mineral, chemical or other substance and things of whatever nature and kind, necessary or useful for the business of the Company.

To gin, spin etc.:

(6) To gin, card, comb, scour, mix, cut, spin, process, twist, throw, reel, weave, knit, print, bleach, dye or finish, rayon, staple fibre, staple fibre yarn, raw silk, silk yarns, waste silks, cotton, flax jute, hemp, wool, hessian, linen or other textiles and textile fibres and carry on any other operations of whatever kind and nature, in relation thereto.

To work pulp and paper plants:

(7) To own, work, erect, install, maintain, equip, repair, alter, add to or otherwise handle or deal in pulp and paper plants, filatures, spinning mills, weaving mills or any other factories for pressing, ginning, carding, combing, scouring, mixing, processing, twisting, throwing, bleaching, printing, dyeing or finishing, whether rayon, staple fibre, staple fibre yarn, raw silk, silk yarns, waste silks, cotton, flax, jute, hemp, wool, hessian, linen or any other textiles of any description and kind.

To do business of chemical manufacturers:

(8) To carry on the business of manufacturers of and dealers in chemicals of any nature and kind whatsoever and as wholesale or retail chemists, druggists, analytical or pharmaceutical chemists, drysalters, oils and colour men, importers, exporters and manufacturers of and dealers in heavy chemicals, alkalis, acids, drugs, tanius, essences, pharmaceutical, sizing, medicinal, chemical, industrial and other preparations and articles, of any nature and kind whatsoever, mineral and other waters, soaps, cements, oils, fats, paints, varnishes, compounds, drugs, dyestuffs-organic or mineral-intermediates, paints and colour grinders, makers of and dealers in proprietory articles of all kinds and of electrical, chemical, photographical, surgical and scientific apparatus and materials,

212

and to manufacture, refine, manipulate, import, export and deal in salts and marine minerals and their derivatives, bye-products and compounds of any nature and kind whatsoever.

To deal in pulps, sulphites etc.:

(9) To carry on the business of manufacturers of and dealers in all kinds and classes of pulp including sulphite and sulphate wood pulp, mechanical pulp and soda pulp and papers including transparent, vellum, writing, printing, glazed, absorbant, newsprinting, wrapping tissue, cover, blotting. filter, bank or bond, badami, brown buff or coloured, cloth-lined, azure-laid, cream-laid, grease or water-proof, hand-made, parchment, drawing, kraft. carbon, envelope and box; and straw, duplex and triplex boards and all kinds of articles in the manufacture of which in any form pulp, paper or board is used and also to deal in or manufacture artificial leather of all varieties, grades and colour and any other articles or things of a character similar or analogous to the foregoing or any of them or connected therewith.

To be iron and brass smiths etc.:

(10) To carry on the business of iron, brass and other masters and founders; iron and steel makers and converters; mechanical, electrical, civil and hydraulic engineers; manufacturers of agricultural implements and other machinery, ferro-manganese; coal, coke and colliery and all other mines proprietors: tube, pipe and tank manufacturers; tin-plate and tool makers; metal workers, mill-wrights, machinists, wire-drawers; manufacturers, moulders, fitters, galvanisers, electro-platers, enamellers, miners, smiths, wood-workers, builders, metallurgists, gas makers, printers, carriers, and merchants and to buy, sell, manufacture, repair, convert, alter, let on hire and deal in machinery and implements, metals, rolling stock, hard wares of all kinds.

To deal in land, buildings and immovable properties:

(11) To purchase, take on lease, or in exchange or otherwise acquire, erect, maintain, equip, construct, reconstruct, repair, renovate, or adopt movable or immovable property including buildings, residential bungalows, quarters, offices, chawls, warehouses, godowns, structures, erections, workshops, mills, factories, foundries or places for manufacturing plants, machinery, accessories, implements, appliances, apparatus, and other things found necessary or convenient for the purposes of the Company and also to extend the business of the Company by purchasing, acquiring, getting transferred, adding to, altering, enlarging, all or any of the buildings, mills, factories, premises, places being the property or in possession of the Company and by expending from time to time such sum or sums of money as may be necessary or expedient for improving, adding to, altering, repairing and maintaining the building, structures, machinery, plant and property for the time being of the Company and to sell or mortgage or let out on hire all or any portion of the same as may be thought desirable

To purchase machinery plant etc.:

(12) To purchase any machinery, plant, raw materials, chemical and stores and other articles for the use of the Company and to remove all or any of the machinery, plant and raw materials, chemicals, and stores of Company for the time being, in or upon any lands, buildings, or premises of the Company to other lands, buildings or premises wherever situate.

To be architects:

(13) To erect, construct, enlarge, acquire, work, use, barter, repair, renovate, manufacture, buy, sell, exchange, alter, improve, manipulate, refine, prepare for market, import, export, or otherwise handle or deal in plant, machinery, accessories, implements, apparatus, tools, appliances, utensils, substances, materials and things and commodities, wholesale or retail, necessary or convenient or capable of being used in any of the above specified business or proceedings or usually dealt in by persons engaged in the like.

To deal in generation and supply of electricity:

(14) To carry on the business of generation of electric power and/or supply thereof in all its branches and in particular to construct, lay down, establish, fix and carry out all necessary power stations, cables, wires, lines, accumulators, lamps and works and to generate, accumulate, distribute and supply electricity and to light cities, towns, streets, docks, markets, theatres, buildings and places both public and private.

To act as Engineers:

(15) To carry on the business of electricians, electrical and mechanical manufacturing and consulting Engineers, manufacturers and suppliers of electricity for the purposes of light, heat, motive power or otherwise and manufacturers of and dealers in machinery, apparatus, instruments and things required for or capable of being used in connection with the generation, distribution, supply, accumulation, employment and use of electricity, galvanism, magnetism or otherwise.

To do business of water-works:

(16) To carry on the business of a water-works company in all its branches and to sink wells and shafts and to make, build and construct, lay down and maintain dams, reservoirs, water-works, cisterns, culverts, filter-beds, mains and other pipes and appliances and to execute and do all other acts and things necessary or convenient for obtaining, storing, selling, delivering, measuring, distributing and dealing in water.

To deal in all mineral products:

(17) To carry on all or any of the business of the manufacturers of and dealers and workers in cement, lime, plasters, mortar, concrete, whiting, casks, sacks, minerals, clay, earth, gravel, coal, coke, fuel, artifical stone and builder's requisites of all kinds. And to carry on the business of Proprietors or Managers of Collieries, Mines and quarries of all kinds.

To promote companies, industries etc.:

(18) To be interested in, promote or undertake the formation and establishment of such institutions, business or companies, whether industrial, agricultural, trading, manufacturing or otherwise, as may be considered to be conducive to the profit and interest of the Company, and to carry on any other business whether industrial, agricultural, trading, manufacturing or otherwise, which may seem to the Company capable of being conveniently carried on in connection with any of these or otherwise calculated directly or indirectly to render any of the Company's properties or rights for the time being profitable, and also to acquire, promote, aid, foster, subsidise or acquire interest in any industry or undertaking.

To deal in rubber products:

(19) To carry on the business of water-proofers and manufacturers of India rubber, rubber tyres, leather, imitation leather, leather cloth, plastics, oil cloth, linoleum, tarpauline, hospital sheetings and surgical bandages.

To be type-founders etc.:

(20) To carry on the business of lithographers, typefounders, printers, publishers, advertisers, stationers and managers of newspapers, magazines, books, publications and other library or artistic works and undertakings.

To enter into contracts:

(21) To enter into any contract, agreement, arrangement or other dealing for the more efficient conduct of the traffic or business of the Company or any part thereof.

To make advance payment:

(22) To make advance for the purchase of raw materials, goods machinery, stores and other articles required for the purposes of the Company or deemed expedient with or without security of whatever nature and kind so ever.

To establish agencies:

(23) To establish agencies or branches in India or elsewhere for sales, purchases and distribution or for any purpose or business of the Company, regulate their working and also discontinue the same and to undertake the management of any Company or Companies, regulate their working and also discontinue the same and to undertake the management of any Company or Companies or undertakings having objects altogether or in part similar to those of this Company and to take all necessary steps for registering the Company in any country as may be thought fit.

To transact agency business:

(24) To transact and carry on all kinds of agency business and to act as Managing Agents, Secretaries and Treasurers, Agents of any Company, concern or corporation (whether incorporated or not).

To enter into partnerships:

(25) To enter into partnership or into any arrangement for sharing or pooling profits, amalgamation, union of interests, co-operation, joint adventure, reciprocal concession or otherwise or amalgamate with any person or company carrying on or engaged in or about to carry on or engage in or any business or transaction which this Company is authorised to carry on or engaged in, or any business undertaking or transaction which may seem capable of being carried or conducted so as directly or indirectly to benefit this Company.

To acquire other business:

(26) To acquire and undertake the whole or any part of the business, property and liabilities of any person, firm or company carrying on any business, which the Company is authorised to carry on or possessed of property suitable for the purposes of this Company.

To acquire managerial rights:

(27) To acquire or take over with or without consideration and carry on the business of secretaries, treasurers and agents or managing agents by them-

selves or in partnership with others, of companies or partnerships whose objects may be similar in part or in whole, to those of the Company.

To acquire share in other companies:

(28) To take or otherwise acquire and hold shares in any other company having objects altogether or in part similar to those of this Company.

To sell undertaking:

(29) To sell, let, exchange or otherwise deal with the undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular for shares, debentures, or securities of any other company having objects altogether or in part similar to those of this Company and if thought fit to distribute the same among the shareholders of this Company.

To amalgamate with others:

(30) To amalgamate with any company or companies having objects altogether or in part similar to those of this Company.

To pay for rights:

(31) To pay for any properties, rights or privileges acquired by the Company, either in shares of the Company or partly in shares and partly in cash, or otherwise.

To acquire licences, rights etc.:

(32) To search for and to purchase or otherwise acquire from any Government, State. Authority, individuals, firm or corporation any licenses, concessions, grants, decrees, rights, powers and privileges whatsoever which may seem to the Company capable of being turned to account and in particular any water-rights or manufacture and/or supply of gas and telephone instruments etc., or concessions either for the purposes of obtaining motive power, or otherwise and to work, develop, carry out, exercise and turn to account the same.

To obtain statutory powers:

(33) To obtain an order or Act of Legislature or Parliament for enabling the Company to obtain any powers and authorities necessary or expedient to carry out or extend any of the objects of the Company or for any other purpose which may seem expedient and within constitutional means to oppose any proceedings on applications which seem calculated directly or indirectly to prejudice the Company's interest.

To acquire patent rights:

(34) To purchase or by any other means acquire and protect, prolong and renew, whether in India or elsewhere, or foreign countries, any patents, patent rights, brevets d'invention, licences, protections and concessions which may appear likely to be advantageous or useful to the Company, and to use and turn to account and manufacture and to obtain any licences in respect of the same and to grant licences or privileges in respect of the same and to spend money in experimenting upon and testing and improving or seeking to improve any patents, inventions or rights the Company may acquire or propose to acquire, or be interested in as licencees or otherwise.

To enter into arrangements with Governments:

(35) To enter into arrangements with the Government of India or any local or State Government or with any Government (Foreign or otherwise)

whatsoever or with any authorities, municipal, local or otherwise, or with any other persons or nobilities, associations, corporations, companies etc., that may seem conducive to the Company's objects or any of them whether individually, jointly or severally and to obtain from such Government, State or Authorities, nobilities, associations, corporations, companies etc., or other persons whether in India or elsewhere any rights, powers, privileges, licences, grants and concessions which the Company may think it desirable to obtain and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.

To acquire lease, grants etc.:

(36) To acquire by concession, grant, purchase, amalgamation, barter, lease, licence or otherwise, either absolutely or conditionally and either solely or jointly with others, any tract or tracts of country, lands, houses, estates, farms, forests, plantations, quarries, mines, mineral rights, water rights, way leaves and other works, easements, rights and privileges and hereditaments and any machinery, plant, utensils, trade marks and other movable or immovable property of any description whatsoever at any place or places in India or any foreign country and together with such rights as may be agreed upon and to expend such sums of money as may be deemed requisite and advisable in the exploration, prospecting, working, surveying, cultivation and development thereof.

To conduct researches:

(37) To establish, provide, maintain and conduct, or otherwise subsidise research laboratories and experimental workshops for scientific and technical research, and experiments and to undertake and carry on with all scientific and technical researches, experiments, and tests of all kinds, to promote studies and research both scientific and technical, investigation and invention by providing, subsidising, endowing, or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing the remunerations of scientific or technical professors or teachers and by providing for the award of exhibition, scholarship prizes and grants to students or otherwise and generally to encourage, promote and reward studies, researches, investigation, experiment, tests, and inventions of any kind that may be considered likely to assist any of the business which the Company is authorised to carry on.

To publicise:

(38) To adopt such means of making known any production of the Company as may seem expedient and in particular, by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication of books and magazines or periodicals and by granting prizes, rewards and donations.

To construct utility works:

(39) To construct, carry out, maintain, improve, manage, work, control and superintend any hatts, markets, reservoirs, water works, tanks, bridges and works in connection therewith, hydraulic works, electrical works, factories, workmen's lines and houses, and bustees, villages and other works and conveniences which may seem, directly or indirectly conducive to any of the objects of the Company, and to contribute, subsidise or otherwise take part in any such operations.

To acquire other companies:

(40) To take or otherwise acquire, deal in and hold shares in any other company, and to pay for any properties, rights or privileges acquired by this Company, either in shares of this Company or partly in shares and partly in cash or otherwise, and to give shares or stock of this Company in exchange for shares or stock of any other Company.

To donate for public benefits:

41. (a) To dedicate, present or otherwise dispose of, either voluntarily or for value, any property of the Company deemed to be of national, public or local interest, to any national trust, public body, museum, corporation, or authority or any trustees for or on behalf of any of the same or of the public.

To subscribe to charitable, scientific and political purposes:

(b) To subscribe or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, political or other institutions or objects, which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation or of public and general utility or otherwise; and to support and subscribe for or contribute to any funds of any party, political, trade, commerce or industry, provided such contribution is likely to lead to the advantage and furtherance of the business carried on by this Company.

To appropriate land for public use:

(42) To appropriate, use or lay out land belonging to the Company for streets, parks, pleasure grounds, allotments and other convenience and to present any such land so laid out to the public or to any person or company conditionally or unconditionally as the Company thinks fit.

To assist associations:

(43) To aid pecuniarily or otherwise any Association, body or movement having for an object the solution or settlement or surmounting of industrial or labour problems or troubles or the promotion of industry or trade.

To provide amenities to employees:

(44) To provide for the welfare of employees or ex-employees of the Company and the wives and families, children or dependants of such employees and ex-employees by building or contributing or subsidising to the building of houses, quarters, dwellings or chawls according to their respective positions or by grants of money, pensions, gratuities, allowances, bonuses or other payments or by creating and from time to time, subscribing or contributing to provident funds, retirement benefit plans or insurances or other social security schemes or other associations, institutions, funds, or trusts, and by providing or subscribing or contributing towards places of educational and scientific instruction and recreation, hospitals, dispensaries, medical and other attendance and other assistance as the Company shall consider appropriate in keeping with the modern industrial outlook and workers' uplift.

To borrow or raise money:

45. (a) To borrow or raise money or to receive money on deposit at interest, or otherwise for the purposes of the Company in such manner as the Company may think fit and in particular by the issue of debentures or deben-

ture stock, perpetual or otherwise including debentures or debenture stock convertible into shares of this Company, or preference shares (redeemable or otherwise) perpetual annuities, and in security of any such money so borrowed, raised or received, to mortgage, pledge or charge the whole or any part of the property, assets or revenues of the Company, present or future, including its uncalled capital by special assignment or otherwise to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may seem expedient; and to purchase, redeem, or pay off and/or renew any such securities, mortgages, charges etc., but the Company shall not do any banking business as defined in the Banking Companies Act, 1949.

To enter into Deferred Payment Contracts:

45. (b) And to obtain, acquire, purchase or buy plant, machinery, equipment and technical services (foreign or otherwise) on cash and/or Deferred Payment arrangements and to secure or make or enter into such arrangements with manufacturers, suppliers, banks, investments, financial, or guaranteeing institutions (whether foreign or Indian or both) on such terms and conditions as the Company or its Board of Directors shall (on the recommendation of the Founder of the Company, Sri S. V. Visvanathan) consider appropriate.

To guarantee payments:

(46) To guarantee the payment of money unsecured or secured by or payable under or in respect of promissory notes, bonds, debentures, debenture stock, contracts, mortgages, charges, obligations, instruments, and securities of any company or any authority, supreme, municipal, local or otherwise, or of any person whomsoever, whether incorporated or not incorporated and generally to guarantee or become sureties for the performances of any contracts or obligations.

To receive Deposits:

(47) To receive on deposit at interest or otherwise and to lend money or property on mortgage of immovable property or on hypothecation or pledge of movable property or without security to such person and on such terms as may seem expedient and in particular to customers of and persons having dealing with the Company; but the Company shall not do any banking business as defined in the Banking Companies Act, 1949.

To lend or invest:

(48) To accumulate funds and to lend, invest, or otherwise employ moneys belonging to or entrusted to the Company upon any shares (not being the shares of this Company), securities (trustee securities or others) or investments upon such terms as may be thought proper and from time to time to vary such investments, their terms and conditions in such manner as the Company may think fit.

To invest and deal in money:

(49) To invest and deal with the moneys of the Company in any investments movable or immovable in such manner as may from time to time seem expedient and be determined.

219

To create funds:

(50) To create any depreciation fund, reserve fund, sinking fund, insurance fund or any special or other fund whether for depreciation, or for repairing, improving, extending or maintaining any of the property of the Company or for redemption of debentures or redeemable preference shares or for any other purpose whatsoever conducive to the interest of the Company.

To distribute Coy's property among its Members:

(51) To distribute any of the property of the Company among the members in specie or kind but so that no distribution amounting to a reduction of capital be made except with the sanction, if any, for the time being required by law.

To manage trusts:

(52) To undertake and execute any trust, the undertaking whereof may seem desirable and either gratuitously or otherwise.

To open Bank Accounts:

(53) To open account or accounts, in the name of the Company with any scheduled banks and to pay into and withdraw money from such account or accounts.

To draw cheques and bills:

(54) To make, draw, accept, endorse, execute, discount, or negotiate and issue cheques, promissory notes, hundis, bonds, bills of exchange, bills of lading, railway receipts, marine, transit, fire and other general insurance policies, debentures and other negotiable or transferable instruments.

To pay preliminary and other expenses:

(55) To pay all the costs, charges, and expenses of and incidental to the promotion, formation, registration and establishment of the Company and the issue of its capital including any under-writing or other commission, brokers' fees and charges in connection therewith, and remunerate or make donations to (by cash or other assets or by the allotment of fully or partly paid shares or by a call or option on shares, debentures, debenture stock or securities of this Company or any other company, or in any other manner, whether out of the Company's capital or profits or otherwise) any person, firm or company for services

rendered or to be rendered in introducing any property or business to the Company or in placing or assisting to place or guaranteeing the subscription of shares, debenture stock or other securities of the Company or in or about the formation or promotion of the Company or for any other reason which the Company may think proper.

To do all things to achieve Coy's objects:

(56) To do all or any of the above things and all such other things as are incidental or may be thought conducive to the attainment of the above objects or any of them and as principals, agents, contractors, trustees, or otherwise and by or through trustees, agents, or otherwise and either alone or in conjunction with others, and so that the word "Company" in the Memorandum when applied otherwise than to this Company shall be deemed to include any authority, partnership, or other body of persons, whether incorporated or not incorporated, and the intention is that the objects set forth in each of the several paragraphs of this Clause shall have the widest possible construction and shall be in no wise limited or restricted by reference to or inference from the terms of any other paragraph of this Clause or the name of the Company.

(57) The above objects of the Company extend to all the States in the Indian Union.

IV. The liability of the members is LIMITED.

V. The SHARE CAPITAL of the Company is Rs. 10,00,00,000 (Rupees Ten Crores), divided into 60,00,000 Equity (ordinary) shares of Rupees Ten each equivalent to Rupees Six Crores, AND 16,00,000 Redeemable Cumulative Preference Shares of Rupees Twentyfive (Rs. 25/-) each equivalent to Rupees Four Crores at a rate not exceeding nine per cent (or such lower Rate as the Central Government may sanction at the time of each Issue) on the said redeemable preference shares with POWER to, from time to time and at any time, INCREASE and REDUCE the Share Capital and to divide the Shares in the Capital for the time being into several classes and to attach thereto respectively any preferential rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to VARY, modify or abrogate any such rights, privileges or conditions in such manner as the Company shall consider expedient and as may for the time being be provided by the Articles of the Company.

We, the several persons, whose names and addresses are subscribed are desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

Sl. No.	Names & Addresses of the Subscribers.	Descriptions and Occupations	Number of Equity Shares subscribed for Cash	Witness
1.	S. V. VISVANATHAN, 6-E, Brigade Road, Bangalore-1.	Industrialist and Businessman.	6000	2. M. SHAFI-UL-HUQ: Accounts Officer, 6-E, Brigade Road, Bangalore-1.
2.	LAKSHMI VISVANATHAN (MRS.), 4, Kensington Road, Ulsoor, Bangalore-1.	do.	4000	
3.	P. V. S. VENKATACHALAM, 7-B, Brigade Road, Bangalore-1.	Merchant and Businessman.	500	
4.	R. B. MAMLE DESAI, Chairman, Agriculture Produce Market Committee, Haveri, Dist. Dharwar.	Businessman.	500	
5.	G. N. DESAI, Kallapur, Taluk Hanagal, Dist. Dharwar.	Landlord.	100	1. M. PADMANABHAN, Personal Assistant to Sri S. V. Visvanathan, 6-E, Brigade Road, Bangalore-1.
6.	M. S. MEHTA, Managing Director, Barton Son & Co. (P) Ltd., Mahatma Gandhi Road, Bangalore-1.	Businessman.	100	
7.	MANJULA M. MEHTA (MRS.) 22-D, Residency Road, Bangalore-1.	do.	100	
8.	H. M. ABDUL RAZACK (DR.), 4-J, Mosque Road, Fraser Town. Bangalore-5.	Chartered Secretary & Cost Accountant.	10	
9.	SHIVALINGAPPA S. HERUR, Merchant, Haveri, Dist. Dharwar.	Merchant.	100	

Bangalore-1. Dated the Eighteenth Day of November 1959.

222

Articles of Association

OF

GREATER MYSORE RAYON GRADE PULP AND PAPER MILLS LIMITED

CONSTITUTION OF THE COMPANY

I—PRELIMINARY

1. The Regulations contained in Table A in the first Schedule to the Companies Act I of 1956 shall not apply to the Company except so far as they are not embodied in the following Articles which shall be the Regulations (Constitution) for the management of the Company.

II—INTERPRETATION

2. The marginal notes hereto shall not affect the Construction of these Articles in the interpretation of which, the following words and expressions shall have the following meaning unless excluded by the subject or context subject always to the meaning given in the Companies Act now in force or any statutory modification or enactment thereof when the meaning given in the Act, statutory modification or enactment shall supersede the meaning given in these Articles.

(i) "The Act" means the Companies Act I of 1956 for the time being in force concerning the Joint Stock Companies and affecting the Company.

(ii) "The Company" means the "Greater Mysore Rayon Grade Pulp and Paper Mills Limited."

(iii) "The Seal" or "Common Seal" means the common seal of the Company as shall be approved by the Board from time to time.

(iv) "Directors" means the Directors for the time being of the Company or the Directors assembled at a Board, as the case may be.

(v) "Board" means a meeting of the Directors duly called, convened and constituted or the Directors assembled at a Board so called, convened and constituted or the requisite number of Directors entitled to pass a Circular Resolution in accordance with these Articles or the Directors of the Company collectively.

(vi) "Auditors" means the Auditors for the time being of the Company.

(vii) "Members or Shareholders" means duly registered holders of the share of the Company on the Register of Members of the Company from time to time.

(viii) "Register of Members" or "Register" means the Register of Shareholders or Members to be kept in accordance with the Companies Act.

(ix) "Persons" includes corporations, individuals and others in the context or within the meaning of the Companies Act or other enactment affecting the Company.

(x) "Dividend" includes Bonus.

(xi) "Statutory Meeting," "Annual General Meeting" or "Extra-ordinary General Meeting" has each of them respectively the same meaning as in the Act.

(xii) Ordinary Resolutions, Special Resolutions, Ordinary Business, Special Business, Special Notice, Notice, has each of them respectively the same meaning as in the Act.

(xiii) "Proxy" means the person duly appointed by a proper instrument or by a power of attorney (if such power has been duly registered in the books of the Company) to vote for the Member at a General Meeting of the Company, whether such Proxy is a Member or shareholder of the Company or not subject to the provisions of the Act and/or these Articles in this behalf.

(xiv) Subscribed Capital and Paid-up Capital shall include respectively any subscription to and allotment of the Share Capital of the Company for consideration other than in cash and the amount credited as paid-up.

(xv) "Month" means a month according to Gregorian calendar.

(xvi) "Year" or "Financial Year" of the Company means year commencing with the First day of July and ending with the Thirtieth day of June next.

(xvii) "Office" or "Registered Office" means Registered Office of the Company as it may be situated for the time being or as it may be situated from time to time.

(xviii) "In Writing" means written and shall include printing, lithography, type-writing or partly written and partly printed or lithographed or type-written, or cyclostyled or any other modern substitute for writing.

(xix) Words importing the singular number include (where the context admits or requires) the plural. And, words importing the plural number include the singular.

(xx) Words importing the masculine gender include the feminine.

III—REGISTERED OFFICE

Registered Office:

3. The Registered Office of the Company shall be at such place as the

Seat of the Government of Mysore shall for the time being situate presently at Bangalore or at such other place as the Board of Directors may decide from time to time.

IV—SHARE CAPITAL

Capital:

4. (a) The Authorised Capital of the Company is Rupees Ten Crores (Rs. 10,00,00,000) divided into 60,00,000 Equity (ordinary) Shares of Rupees Ten each equivalent to Rupees Six Crores AND 16,00,000 Redeemable Cumulative Preference Shares of Rupees Twenty Five each equivalent to Rupees Four Crores at a rate of dividend not exceeding Nine per cent (or such lower Rate as the Central Government may sanction at the time of each issue), on the said Redeemable Preference Shares.

Redeemable Preference Shares (right to issue):

(b) Subject to the provisions of the Companies Act and these Articles, the Company shall have power to issue Redeemable Preference Shares carrying a right to redemption out of profits OR out of the proceeds of the fresh issue of similar shares or Equity made for the purpose of such redemption or liable to be redeemed at the option of the Company and the Board of Directors may, subject to the provisions of the Act and these Articles, exercise such power in any manner the Board may think fit and proper including the power to purchase such preference shares in the open market and redeem them earlier than the due date fixed for their redemption out of the "Capital Redemption Reserve Fund" to be created out of the profit of the Company for the purpose.

Rights of Redeemable Preference Share-holders to Dividends:

(c) The said Redeemable Cumulative Preference Shares shall confer the right on the registered holders thereof to be paid out of any profits that may at any time be determined to be distributed among members a cumulative dividend at a rate to be determined by the Board of Directors at the time of issue of such Redeemable Preference Shares, rate of dividend so determined or fixed by the Board not to exceed Nine per cent on the Capital for the time being paid up thereon in priority to the equity shares.

Rights of Redeemable Preference Share-holders in winding up:

(d) The Redeemable Preference Shares shall also confer the right on the holders thereof, in a winding up, to payment of Capital and any arrears of the cumulative dividend set out in the preceding clause (c) above, whether earned, declared or not, up to the date of commencement of the winding up, in preference to the equity shares but shall not confer any further right to participate, in the profits or to surplus assets of the Company.

Calculation of Dividend on Redeemable Preference Shares:

(e) In calculating any fixed percentage in the paid-up capital on any shares for the purpose of this Article, such percentage shall be calculated upto and including the date of the close of the financial year of the Company next prior to the date of the declaration of dividend or bonus at a general meeting and in respect of interim dividends, as on and upto the date of the declaration of such interim dividend by the Board of Directors.

Rate of Dividend on Redeemable Preference Shares:

4. (f) The Redeemable Preference shares shall rank for Dividend from such date as may be determined by the Board of Dirctors of the Company at the time of each issue of the said Redeemable Preference Shares.

Redemption of Preference Shares:

(g) The Redeemable Preference Shares shall be liable to be redeemed at par, either in whole or in part at the discretion and or the General Meeting of the Company or as may be specified at the time of each issue of such Redeemable Preference Shares; the first issue shall not, however, be redeemable earlier than ten years from date of allotment whereafter, the Board of Directors of the Company shall have the right to redeem them on giving at least six months' notice expiring on the last day of any month of Gregorian Calendar.

Earlier Redemption of Preference Shares:

(h) Notwithstanding the provisions of the preceding clause (Clause 4-g), and subject to the provisions of the Companies Act, the Board of Directors of the Company shall have the right to purchase the Redeemable Preference Shares in the open market and thus redeem them earlier out of the Capital Redemption Reserve Fund.

Rights of Equity Share-holders in winding up:

(i) Subject to the rights of the Redeemable Preference Shareholders as herein above provided and/or as may be conferred, subject to the relevant provisions of the Act and with the sanction of the General Meeting of the Company, on the holders of any other preferential shares by the terms of issue of such shares to the preferential payment over the Equity Shares, in the event of winding up of the Company, the Equity Share-holders shall be entitled to be repaid the amount of paid up capital or credited as paid up on such Equity Shares and all surplus assets and sums of money thereafter shall belong to the Equity share-holders in proportion to the amount paid up or credited as paid on their respective Equity Shares on the date of commencement of winding up.

Board of Directors' Control of Share Capital:

5. (a) Save as provided in these Articles and subject to the provisions of the Companies Act, the entire Share Capital and the shares forming part of it, including the shares forming part of any increased capital of the Company, shall be under the control of the Board of Directors of the Company. The Board shall have the right to allot or in any wise dispose of the shares or any of the shares to such persons in such proportion and on such terms and conditions and at par or at a premium or subject to the provisions of the Act in this behalf and with the approval of the General Meeting of the Company, to issue the shares at a discount and at such term or terms as the Board may from time to time think fit and proper.

Board of Directors' right to issue shares for consideration other than cash:

(b) The Board of Directors of the Company shall have full and unrestricted authority to issue and allot Equity or Redeemable Preference Shares in part or full payment of price or in exchange for property (land, building, machinery, plant or equipment) sold or transferred, supplied or contracted to be sold, transferred, supplied or delivered or for services rendered or contracted to be rendered to the Company or in reimbursement of the amount spent for the purpose of the Company in or about or incidental to the formation, promo-

tion, establishment of the Company or the conduct of business of the Company on such terms and conditions as the Board of Directors shall consider in the best interests of the Company and any shares so allotted, may at the discretion of the Board, be issued as fully paid or partly paid and such shares shall be regarded as fully paid or partly paid as the case may be.

Minimum Subscription when issue to Public is made:

6. (a) Where the Board of Directors of the Company choose to offer any of the Company's shares, or any class of its shares, for public subscription, the Board shall not proceed to make an allotment thereof unless the conditions of issue and the provisions of the Companies Act have been duly complied with at least five per cent of the nominal value of the shares prescribed in the prospectus as the minimum subscription has been received with applications.

Minimum Subscription when allotment is made on basis of Statement in lieu of Prospectus:

(b) And, should the Board of Directors propose to commence business on the basis of a statement in lieu of prospectus, the Board shall proceed to make any allotment of the shares only when shares (Equity or Redeemable Preference or both) of the nominal value of at least (Minimum) Rupees Fifty Lakhs has or have been subscribed and the amount payable on application not being less than five per cent of the nominal value of the shares subscribed has been received.

Company not to invest in its own shares:

7. The Company shall not employ any of its funds in the purchase of or lend on the security of the shares of the Company. This shall not apply to the redemption of the Redeemable Preference Shares from out of the "Capital Redemption Reserve Fund" earlier than the due date as provided for in Articles four (h) hereof.

Due date of instalments:

8. If, by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by instalments every such instalment shall when due, be paid to the Company by the person who for the time being shall be the registered holder of the share.

Liability of Joint-Holders:

9. The joint-holders of a share or shares shall be severally and jointly liable for the payment of all instalments and calls due (together with interest thereon if any) in respect of such shares.

Trusts not Recognised:

10. No person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or to recognise any trust (equitable, contingent, future, implied, expressed or constructive) or to entertain any claim or interest or partial interest in any share or fractional part of a share and the Company shall not, except as ordered by a Court of competent jurisdiction or as by Statute required, be bound to recognise any trust or claim or right as aforesaid but shall recognise absolute right to entirety

of such share, only in the person or persons for the time being registered as the sole holder or as a joint-holder (if registered in the Register of Members of the Company) thereof.

Joint-Holding:

11. Where two or more persons are registered as the holders of any share, they shall be deemed to hold the same jointly with benefit of survivorship subject to the following provisions:—

Joint-Holding not to exceed four Persons:

(a) The Company shall not be bound to register more than four persons as the holders of any share.

Liability of Joint-Holders:

(b) The joint-holders of any share shall be liable, severally as well as jointly, in respect of all payments (calls, premium, interest if any) which shall be made in respect of such share.

Benefit of Survivorship in Joint-Holding:

(c) On the death of any one of such joint-holders, the survivor or survivors shall be the only person or persons recognised by the Company as having any title to such share; but the Board of Directors shall have the right to require such evidence of death as the Board may deem fit; and also may recognise any one of the legal representatives of the deceased as a joint-holder in place of the deceased along with the survivors.

Discharge in Joint-Holding:

(d) Any one of such joint-holders may give effectual receipts for any dividend, bonus or return of capital payable to such joint-holders.

First named Joint-Holder to receive Share Certificate, Notices etc:

(e) Only the person whose name stands first in the Register of Members as one of the joint-holders of any share, shall be entitled to delivery of the Certificate relating to such share or to receive notice from the Company or to attend or vote at general meetings of the Company, and any notice given to such (first named) person shall be deemed due notice to all joint-holders; but any one of such joint-holders (other than the first named one) may be appointed as a Proxy, for them to vote on behalf of such joint-holders and as such Proxy, to attend at general meetings of the Company.

Calls on Shares of same class to be on Uniform Basis:

12. When any calls for further share capital are made on shares, such calls shall be made by the Board of Directors, on an uniform basis on all shares falling under the same class. For the purpose of this Article, the shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall "under the same class." (Vide clause 28 hereof)

Payment of Interest out of Capital:

13. The Company may, subject to the provisions of the Companies Act, and sanction of the General Meeting of the Company, for the purpose of raising funds to defray the expenses of the construction of any works, factory

Index appended to each of these Registers as required by and in accordance with the provisions of the Companies Act.

Register of Members etc:

17. (b) The relevant provisions of the Companies Act concerning inspection of the aforesaid Registers by Members, Debenture-holders and others and taking extracts therefrom, shall apply.

Return of Allotment:

18. Whenever the Company shall make an allotment of its shares, the Secretary shall file the necessary Returns with the Registrar of Companies.

V—CERTIFICATES

Share Certificates:

19. (a) The certificates of title to the shares shall be issued under the Common Seal of the Company and signed by two Directors and the Secretary.

Period within which to issue Share Certificates etc.:

(b) Subject to the provisions of the Companies Act and the Rules made thereunder, the conditions of issue of the shares, debentures or debenture-stock may provide that the certificates of such shares, debentures or debenture-stock shall be ready for delivery within three months of allotment or transfer of such share, debenture or debenture-stock as the case may be. The Company may stipulate and provide in the terms of issue some other period within which the Certificates shall be ready for delivery.

Members' right to Share Certificates:

20. Every Member shall be entitled, free of cost, to one certificate or such larger number of certificates and in such denomination as the Board of Directors of the Company may decide in respect of all the shares of each class registered in his or her name. The share certificate shall specify serial number of the certificate and the distinctive number of shares in respect of which the certificate is issued and the amount paid thereon.

Form and denomination of Certificates:

21. The Share (or Debenture) certificate shall be in such form and in such denomination or denominations as the Board of Directors may decide. The Board of Directors may (but shall not be bound to do so), approve larger number of certificates than those a Member is normally entitled, free of cost, under the preceding Article twenty, being issued to such Member on request, on payment of such sum as the Board may prescribe but not exceeding Rupee one for each such additional certificate asked for.

Renewal of Certificates:

22. If any certificate be worn out, defaced, decrepit or where the cages on its reverse for recording transfers have been fully utilised, then and only in any of the said cases, the Company shall subject to the Companies (Issue of Share Certificates) Rules, for the time being in force, issue a new certificate (or certificates as the case may be), free of cost, in exchange for and cancellation of the aforesaid worn out, defaced, decreipt or transfer cages fully uti-

buildings, workers' colony or the provisions of any plant and machinery or extension of such works, buildings, colony or expansion of the capacity of such plant and machinery, which cannot be made profitable for a reasonable length of period, pay interest at a rate not exceeding four per cent per annum on so much of the share capital for the time being paid up and may charge the interest so paid as part of the cost of construction of the work, building, colony or plant and machinery (i.e., Capital Expenditure account).

Commission for placing shares etc.:

14. (a) The Company may, at any time, pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for or under-writing or agreeing to under-write any shares or debentures or debenture-stock of the Company, and the rate of commission shall not exceed five per cent of the price at which the shares are issued or two and a half per cent of the price at which the debentures or debenture-stock are issued. The commission may be paid or satisfied in cash or in shares, debentures or debenture-stock of the Company but where the commission in respect of shares shall be paid or payable out of capital, the statutory conditions shall be complied with.

Brokerage:

(b) In addition to the aforesaid commission, the Company may pay a reasonable sum not exceeding two and a half per cent in respect of shares and one and a quarter per cent in respect of debentures or debenture-stock for brokerage.

Guarantee commission:

15. The Company may, at any time, pay to the Guarantors for deferred payments and of loans, such guarantee commission as may be agreed upon between the Board of Directors of the Company and such guarantors in each case.

Premium on shares and its application:

16. In the event of the Company issuing any class of shares at a premium whether for cash or for any other consideration (other than cash) the aggregate amount of such premium shall be credited to "Share Premium Account" which subject to the provisions of the Companies Act, the Company may apply in any (or all) of the following manner:

(a) in paying up unissued shares of the Company to be issued to Members of the Company as fully paid Bonus shares.

(b) in writing off the preliminary expenses of the Company;

(c) in writing off the expenses of, or the commission paid or discount allowed on any issue of shares or debentures of the Company; or

(d) in providing for the premium (if any) payable on the redemption of any redeemable preference shares or of any debentures of the Company.

Application and Allotment Register:

17. (a) The Company shall cause to be kept and maintained by the Secretary of the Company, Register of Share (or debenture) Application and Allotment, a Register of Members and Register of Debenture-holders with an

lised certificate or certificates. Where a Member has transferred a part of the shares comprised in his or her holding, he or she shall be entitled to a certificate for the balance free of charge.

Conditions for issue of Duplicate Share Certificates:

23. The Board of Directors shall call for such proof as the Board shall consider necessary to their satisfaction being produced where the Board is required to issue a Duplicate certificate in lieu and cancellation of the one reported by the registered shareholder thereof to have been lost or destroyed. The Board may also require such indemnity bond being executed by him or her and such advertisement being made in the press as the Board may consider necessary in which case the shareholder shall pay cost of executing the bond and of the advertisement. The shareholder shall also pay such amount as the Board of Directors may stipulate but not exceeding Rupee one per certificate.

Authentication for endorsements of Transfer:

24. Every endorsement on the reverse of the certificate incorporating the transfers of shares mentioned therein, shall bear the signature of the Secretary and the Chairman of the Share Transfer Committee of Directors (if one is constituted by the Board for the purpose) or by the Director duly authorised by the Board to sign such transfer in addition to the Secretary after the Board has approved the transfer in the absence of the said Share Transfer Committee.

VI—CALLS ON SHARES

Calls on Shares:

25. (a) The Board of Directors may, from time to time, make such calls as the Board thinks fit upon the Members in respect of any moneys unpaid on the shares held by them (whether on account of the nominal value of the shares or by way of premium or in respect of interest due on calls) respectively and not by the conditions of allotment thereof made payable at fixed times.

Place and Date for payment of calls:

(b) And, each Member shall pay the amount of every call so made on him or her to any of the Bankers of the Company named and at the time and place appointed by the Directors and mentioned in the Call Notice served on the Member or at the Registered Office of the Company.

When call deemed to have been made:

26. A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising the call, was passed and made payable by Members on the Register of Members on such date or at the discretion of the Board of Directors on such subsequent date as the Board may determine.

Maximum amount for a call:

27. (a) No call shall exceed twenty-five per cent of the nominal amount of a share and there shall be given at least fourteen days' notice for payment of any call.

Interval between calls:

(b) There shall be not less than one month's interval between the

date fixed for the payment of the last preceding call and the date fixed for the subsequent call.

Call payable by instalments:

27. (c) A call may be made payable by instalments.

Calls to be on uniform basis:

28. All calls shall be made on an uniform basis on all shares falling under the same class. Shares of the same nominal value on which different amounts have been paid, shall not be deemed to fall under the same class. (Vide Clause Twelve hereof).

Extension of time for payment of call:

29. The Board of Directors may, at their discretion, extend the time fixed for payment of any call and the Board may extend such time as to call on any of the Members who owing to their residence at a long distance out of the Union of India or some other deserving cause, the Board may deem entitled to such extension but no Member shall be entitled to such extension as of right, it being a matter entirely of the Board's discretion on merit of individual case(s).

Liability of joint-holders to pay call:

30. The joint-holders of a share shall be jointly and severally liable to pay calls in respect thereof.

Board's right to revoke a call:

31. The Board of Directors, may, at their discretion, by notice in writing to Members revoke the call or extend the time for payment thereof or by similar notice change the person to whom or the place where such call shall be paid.

Payment of interest on calls in arrears:

32. (a) If the sum payable in respect of call (including the amount payable on allotment) or instalment be not paid on or before the day appointed for payment thereof, the holders for the time being or allottee (as the case may be) of the share in respect of which a call (including the amount payable on allotment) shall have been made, or the instalment shall be due, shall pay interest for the same at such rate as the Board of Directors of the Company may determine but not exceeding Nine per cent per annum, from the day appointed for the payment thereof to the time of actual payment.

Board's right to waive interest on calls in arrears:

(b) The Board of Directors may, in their discretion, waive payment of interest under this clause in case of any Member liable to such calls under these presents if the Board is satisfied that the non-payment of call on or before the date was for an unavoidable or justified cause but this concession shall not confer any right on the Member to claim such a waiver of interest.

Calls payable at fixed times or by instalment:

33. If by the terms of the Issue of Shares or otherwise, any amount is made payable at any fixed time or by instalment(s) at fixed time(s), whether

232

on account of the share or by way of premium, every such amount or instalment shall be payable as if it were a call duly made by the Board of Directors and of which due notice has been given, and all the provisions herein contained in respect of calls shall relate to such amount or instalment accordingly.

Evidence in action for call:

34. On the trial or hearing of any action or suit brought by the Company against any share-holder or his representative(s) for the recovery of any money due for any call (including premium and any interest due on such call), it shall be sufficient to prove that the name of the Member (defendant) sued is entered or was entered when the claim arose, on the Register of Members (Shareholders) of the Company as holder or one of the holders of the shares in respect of which such debt accrued and that the amount claimed is not entered as having been paid in the books of the Company; and that the Board's resolution making the call is duly recorded in the Minutes Book; and that notice of such call was duly given to the Member sued in pursuance of these presents; and it shall not be necessary for the Company to prove the appointment of the Directors constituting the Board which made the call for any other matters whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Payment of calls in advance:

35. (a) The Board of Directors may, if they think fit, receive from any Member or Members willing to advance the same and either in money or money's worth, all or any part of the share capital due upon the share held by him, her or them beyond the sums actually called for; and upon the amount so paid or satisfied in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate as may be mutually agreed upon between the individual Member(s) paying such sum in advance and the Board of Directors but not exceeding in any individual case, six per cent per annum.

Calls in advance not to rank for Dividend etc.:

(b) The money so advanced in excess of the amount of call(s) shall not rank for dividend whether the advance payment is free of interest or bearing interest nor such advance payment confer any additional voting rights.

Board's right to repay calls in advance.:

(c) The Board of Directors may at any time repay the amount so advanced upon giving such notice as may have been agreed upon at the time of advance payment or if no such notice period was agreed, upon giving not less than one month's notice.

VII—FORFEITURE AND LIEN

Notice to be given for non-payment of call:

36. If any Member fails to pay the whole or any part of any call or instalment or any other sum of money in respect of any shares either by way of principal, premium or interest, on or before the day appointed for the payment of the same, the Board of Directors may at any time thereafter, during

such time as the call or instalment or any other sum of money remains unpaid in whole or in part, serve a Notice on such or on the person (if any) entitled to the share by transmission requiring him (or her as the case may be) to pay such call or instalment or such other sum of money or such part thereof as remains unpaid together with interest that may have accrued and all expenses (legal or otherwise) that may have been incurred by the Company by reason of such nonpayment.

Form of Notice:

37. The Notice shall name a day not being less than fourteen days from the date of the notice (nor a Bank holiday) and a place or places on and at which such call, instalment, premium, interest, expenses and/or such other sums of money as aforesaid are to be paid. The Notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or instalment and/or any of the aforesaid sums of money were made payable, will be liable to be forfeited.

Non-compliance of notice and forfeiture of Shares:

38. If the requirements of any such notice as aforesaid are not complied with, any shares in respect of which such notice has been given may, at any time thereafter before payment of all calls, instalments, premium, interest and expenses, or moneys, due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

Effect of forfeiture:

39. The forfeiture of a share shall involve the extinction of all interest in, and also of all claims and demands against the Company in respect of the share, and all other rights incidental to the share except only such or those rights as by these Articles are expressly saved.

Notice of forfeiture and entry thereof:

40. When any share shall have been so forfeited, an entry of the forfeiture with the date thereof shall be made in the Register of Members. And, a Notice that the shares have been forfeited shall be given to the Member in whose name the share stood immediately prior to the forfeiture or to the shareholder's legal representative.

Forfeited share to become property of Company:

41. Any share so forfeited shall be deemed to be the property of the Company, and the Board of Directors may sell, or otherwise dispose of either to the original holder thereof or to any other person upon such terms and conditions and in such manner as the Board of Directors shall think fit.

Board's power to effect sale:

(a) For the purpose of giving effect to any such sale or other disposition, the Board of Directors may authorise the Secretary or some other person (whether an officer of the Company or not) to transfer the shares so sold or otherwise disposed of to the purchaser thereof or other person becoming entitled thereto.

Re-issue of forfeited share:

42. The Board of Directors may, at any time before any shares so forfeited (all or any other lesser number of them) shall have been sold or otherwise disposed of, annul the forfeiture thereof upon such terms and conditions as the Board may think fit and proper.

Member's liability to pay calls notwithstanding forfeiture:

43. Any Member whose shares have been forfeited shall, notwithstanding the forfeiture be liable to pay and shall forthwith pay to the Company all calls, instalments, premium, interest, all expenses and any other moneys, due on or in respect of such shares at the time of the forfeiture together with interesr thereon from the time of forfeiture until payment at such rate as the Board of Directors may determine but not exceeding nine per cent per annum and the Board of Directors may enforce the payment thereof, without any deduction or allowance for the value of the shares at the time of forfeiture but shall not be under any obligation to do so.

Evidence of forfeiture:

44. A duly certified declaration in writing under the hands of the Managing Director or Secretary of the Company that the shares in the Company, referred to in the declaration, have been duly forfeited on a date mentioned in the declaration, shall be conclusive evidence of the facts therein stated and such declaration and the receipt of the Company for the consideration if any, given for the shares on the sale or disposition thereof shall constitute a good title to such shares and the person to whom the shares are sold shall be registered as the holder of such shares and shall not be bound to see to the application or utilisation of the purchase money, nor shall his title to such shares be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture sale or disposition.

Company's lien on partly paid shares:

45. The Company shall have first and paramount lien upon all shares which are not fully paid up, registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any share shall be created except upon the footing and condition that the Company shall not recognise as holding any share except the registered holder and that the provisions of Article Ten hereof shall have full effect. And such lien shall extend to all dividends and bonuses which may from time to time be declared in respect of such shares, all debts, obligations and liabilities of such Member to the Company provided always that if the Company shall register a transfer of any shares upon which it has such a lien as aforesaid without giving to the transferee notice of its claim, the said shares shall, in default of any agreement to the contrary between the Board of Directors of the Company and the transferee, be freed and discharged from the lien of the Company subject, however, to the conditions that it shall not constitute any default on the part of the Company if the Company fails to notify the transferor of the Company's lien or claim on the said shares at the time of certification of transfers under Section 112 of the Companies Act, so long as the Company gives the transferee notice of its lien or claim before registration of the transfer of the shares as hereinbefore required.

Enforcement of lien by sale:

46. For the purpose of enforcing such lien, the Board of Directors of the Company may sell the shares subject thereto in such manner as the Board shall think fit but no sale shall be made unless a sum in respect of which the lien exists is presently payable and until a notice in writing of the intention to sell shall have been served on such Member, his (or her) executors or administrators or his (or her) committee, curator bonis or other legal representative(s) as the case may be and default shall have been made by him, her or them in the payment, fulfilment or discharge of such debts, liabilities or engagements if not complied within seven days after service of such notice.

Application of sale proceeds:

47. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists, as is presently payable to such Member, his executors, or administrators or assigns or his Committee, curator bonis or other legal representatives as the case may be.

Registration of purchasers of such forfeited Shares:

48. Upon any sale after forfeiture or for enforcing a lien in purported or professed exercise of the powers hereinbefore given, the Board of Directors may cause the name of the purchaser to be entered in the Register of Members (and Shareholders) in respect of the shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money he has paid to the Company for the shares, and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of such person aggrieved by the sale, shall be in damages only and against the Company exclusively.

Board may issue new certificates:

Subject to the Companies (Issue of Share Certificates) Rules.

49. Where any shares under the power in that behalf, herein contained, are sold by the Board of Directors and the Certificate thereof has not been delivered or surrendered to the Company by the former holder of the said shares, the certificate shall, ipso facto, stand cancelled and become null and void and the Board of Directors may issue a new certificate for such shares distinguishing it in such manner as the Board think fit from the certificate not so delivered or surrendered.

VIII—TRANSFER AND TRANSMISSION

Execution of Transfer:

50. The instrument of Transfer of any share (or Debenture) of the Company shall be (in writing in English) executed both by the Transferor and the Transferee duly attested by at least one credible witness attesting the signature of the Transferor and one credible witness for the Transferee. Any signature by mark or thumb impression (where the Transferor or Transferee is an illiterate) and the signature in vernacular of ladies and the signature of purdah nashin ladies should be verified by a Magistrate or Notary public or Justice of Peace under his official seal.

284

50. (a) All Transfer Deeds, Instruments and other Documents shall be executed and signed in INK only. Any Transfer Deed, Instrument and other Document executed and/or signed in Ball-point pen shall not be accepted by the Company.

Form of Transfer:

51. The form of the instrument of transfer shall be a Common Form adopted by any recognised Stock Exchange in the Union of India or in the following form or as near thereto as circumstances would permit:

I/We.....of..... ..... in consideration of the sum of Rupees..... .....paid to me/us by..... .....of..... hereinafter called "the transferee" do hereby TRANSFER to the transferee..... .....Equity/Redeemable Preference Share (or shares) bearing distinctive numbers from.....to..... inclusive, standing in my/our name(s) in the undertaking called the GREATER MYSORE RAYON GRADE PULP AND PAPER MILLS LIMITED, to hold unto the said Transferee, his or her or their executors, administrators and assigns, subject to the Memorandum and Articles of Association of the said Undertaking and several conditions on which I/We held the same immediately before the execution hereof; and I/We the Transferee, do hereby agree to take and accept the said share (or shares) subject to the conditions aforesaid.

As witness our hands, this.....day of .....19....

Witness:	Transferor's
Signature.....	Signature.....
Occupation.....	Occupation.....
Address in full.....	Address in full.....
.....	.....
Witness:	Transferee's
Signature.....	Signature.....
Occupation.....	Occupation.....
Address in full.....	Address in full.....
.....	.....

Certificate to accompany Transfer Deed and evidence of title of transferor:

52. The relevant certificate (or the Letter of Allotment as the case may be) of the Shares (or the Debentures) shall accompany the instrument of transfer which shall be duly filled in, dated, stamped, executed, witnessed (and where appropriate, attested) and properly completed in all other respects in the manner required by these Articles. The instrument of transfer shall also be accompanied by such other evidence as the Board of Directors may reasonably require to prove the title of the transferor or his right to transfer the same.

Transfers not accompanying certificates to comply with Board's requirements:

(a) Provided that where on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument

of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms and conditions as to indemnity (and advertisement in a newspaper) as the Board shall think appropriate.

Transfer by operation of Law:

52. (b) Provided further that this Article shall not prejudice any power of the Company to register as shareholder or debenture holder any person to whom the right to any share in or debenture of, the Company has been transmitted by operation of Law.

Board not to investigate transfers:

(c) Provided further that the Board of Directors shall not be bound to inquire into the validity, legal effect or genuineness of any instrument of transfer produced by a person claiming transfer of any share in accordance with these Articles; and whether they abstain from so enquiring or do so enquire and are misled, the transferor shall have no claim whatsoever upon the Company in respect of the share except for the dividends previously declared in respect thereof and not paid but the transferor's claim, if any, shall be against the transferee only.

Transfers by legal representatives:

53. A transfer of shares, debentures or other interest in the Company of a deceased member or debenture holder thereof made by his (or her) legal representative shall, although the legal representative is not himself a member be as valid and effective as if he had been a Member at the time of the execution of the instrument of transfer.

Who can make application for transfer:

54. An application for registration of a transfer of any share(s) or debenture(s) may be made either by the transferor or transferee.

Company to give notice to transferee of partly paid shares:

(a) Provided that where the application is made by the transferor and relates to partly paid shares or partly paid debentures, the transfer shall not be registered unless the Secretary on behalf of the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within fourteen days from the date of receipt of notice.

When notice deemed to be delivered:

(b) For the purpose of this Article, notice to the transferee shall be deemed to have been duly given if it is despatched by prepaid registered post to the transferee at the address given in the instrument of transfer, and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

No transfer to infants etc.:

55. No transfer shall be made to an infant or person of unsound mind, or a Firm or in the name of Partnership.

Transferor to remain holder until registration of transfer:

56. The transferor shall be deemed to remain a holder of the shares (or debentures) until the name of transferee is entered in the Register of Members in respect thereof.

256

(or her) to produce to the Board's satisfaction before the registration is approved by the Board. Provided also that the Board of Directors shall in any case, have the same right to decline or suspend registration as they would have had in case of a transfer of the share (or debenture) by the deceased or bankrupt person before the death or bankruptcy.

Shares of deceased members:

65. The executors or administrators of a deceased member whether an European, Christian, Hindu, Muslim or Zoroastrian, or any other community, faith or religion (not being one of several joint-holders) shall be the only persons recognised by the Company as having any title to the shares (or debentures) registered in the name of such member (or debenture holder). AND, in the case of the death of any one or more of the joint-holders of any registered shares (or debentures), the survivors shall be the only persons (on production of such documentary evidence as the Board of Directors may require as to the death of one of such joint-holders) recognised by the Company as having any title to or interest in such shares or debentures.

Conditions for recognition of legal representation:

66 The Board of Directors may, before recognising any executors or administrators, require such executors or administrators to obtain a Grant of Probate, Letters of Administration, Succession Certificate or such other legal Representation as the case may be, from a Court of competent jurisdiction in the Union of India. Provided nevertheless that in any particular case where the Board, in its absolute discretion think appropriate, it shall be lawful for the Board to dispense with the production of the aforesaid Probate, Letters, Certificate or Representation upon such terms and conditions as to indemnity or otherwise as the Board may consider necessary but the Board shall not exercise such discretion where the interest (shares or debentures) involved is appreciably large.

Transfer of Shares of deceased, bankrupt or infant or insane members:

67. Any legally constituted Committee or Guardian of a lunatic or infant member or any other person becoming entitled to or to transfer the shares (or debentures) in consequence of the death or bankruptcy or insolvency of any member (or debenture holder), upon producing such evidence that he (or she) sustains the character in respect of which he (or she) proposes to act under this Article, or of his (or her) title, as the Board of Directors shall think proper or sufficient, may be registered as a member (or debenture holder) in respect of such shares (or debentures) or may, subject to the regulations as to transfer hereinbefore contained, transfer such shares (or debentures).

This Article is hereinafter referred to as the "Transmission Article."

Company concerned only with legal title to Shares:

68. The Company shall incur no liability or responsibility whatever in consequence of the Company registering or giving effect to any transfer of shares (or debentures) made or purporting to be made by an apparent legal owner thereof (as shown or appearing in the Register of Members or of Debenture-holders) to the prejudice of any person or persons having or claiming any equitable right, title or interest to or in the same shares (or debentures)

Board's right to decline to register transfer:

57. Notwithstanding anything contained in these Articles under this Chapter (Transfer and Transmission), the Board of Directors may, subject to the provisions of the Companies Act in this behalf, at any time in their absolute and uncontrolled discretion and without assigning any reason, decline to register any proposed transfer of share whether the transferee is a Member of the Company or not.

Notice of refusal to be given to transferor and transferee:

58. If the Board of Directors refused to register the transfer of any share, the Secretary shall on behalf of the Board of the Company, within two months from the date on which the instrument of transfer was lodged with the Company send notice of refusal to the transferee and the transferor.

When transfers are to be retained by the Company:

59. All instruments of transfer shall be retained by the Company but any instrument of transfer which the Board of Directors may decline shall be returned to the person depositing the same.

Fee on transfer:

60. There shall be paid to the Company in respect of each transfer or transmission such fee as the Board of Directors may prescribe not exceeding Rupess Two for each transfer irrespective of any number of shares. The fee shall be paid before registration of the transfer.

No fee for registration of probates etc.:

61. The Company shall not charge any fee for registration of any probate, letters of administration, certificate of death or of marriage, power of attorney or other similar instrument.

Register of Transfers to be kept:

62. The Company shall cause to be kept by the Secretary of the Company a book to be called "Register of Transfers" and therein shall be entered the particulars of every transfer or transmission of any shares and all other particulars in the manner required by the Companies Act.

Only legal representative of deceased holder recognised:

63. On the death of any Member or debenture holder (not being one of the several joint-holders of a share or a debenture), the legal personal representative of such deceased Member or debenture holder shall be the only person recognised by the Company as having any title to such shares or debentures.

Title of persons to shares of deceased or bankrupt members:

64. Any person becoming entitled to shares (or debentures) in consequence of the death or bankruptcy of the registered holder of such shares (or debentures) shall, upon registration with the approval of the Board of Directors of the Company, of the said title, be entitled to the said shares (or debentures) and dividends (or interest) and all other advantages and to exercise any other right to which he would be entitled if he were the registered holder of the same provided that the person claiming the said title shall produce such documentary evidence as the Board of Directors may require him

notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer; and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do irrespective of the fact that it may have been entered or referred to in the books of the Company; but the Company shall nonetheless be at liberty to have regard and attend to any such notice and give effect thereto, if the Board of Directors, at its absolute discretion, shall think appropriate so to do.

Power to close Register of Members etc.:

69. The Board of Directors may, on giving at least seven days' previous Notice by advertisement (in English and Kanarese) in some newspaper circulating in the Mysore State, close the Transfer Books and Register of Members and Shareholders (and of Debenture-holders) or suspend transfers during such time and for such period as the Board shall think fit not exceeding thirty days at a time NOR exceeding a period of forty-five days, in the aggregate, in any financial year of the Company.

IX—ALTERATION OF CAPITAL

Power to increase capital:

70. The Company in any General Meeting may, from time to time, by Special Resolution, increase its Share Capital by creation of New Shares; such increase to be of such aggregate amount and to be divided into shares of such respective amounts, denominations and class or classes as the Company may consider expedient and prescribe in such Special Resolution.

New Shares to form part of original capital:

71. Except so far as otherwise provided by the conditions of issue, or by these Articles, any Capital raised by the creation of new shares shall be considered part of the original capital (Equity or Redeemable Preference as the case may be) and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, voting and otherwise.

Conditions of New Issue:

72. Without prejudice to rights and authority of the Board of Directors of the Company contained in Article Five hereof, the new shares shall be issued upon such terms and conditions, and with such rights and privileges annexed thereto as the General Meeting resolving upon the creation thereof or at any subsequent general meeting before the issue thereof shall direct, and if no such directions be given, as the Board of Directors shall determine; and in particular, such shares may be issued with a preferential or qualified right to dividend and in the distribution of the assets of the Company and with a special or without any right or voting or otherwise.

Offer of new Shares to existing Equity Members:

73. Where at any time after the expiry of two years from the date (Nineteenth November 1959) of Incorporation of the Company or after expiry of one year from the date of First Allotment of Shares, whichever is

earlier, it is proposed to increase the subscribed Share Capital (of any class) of the Company, then, subject to the relevant provisions of the Companies Act and subject to any directions to the contrary which may be given by the Company in General Meeting and subject only to those directions:

73. i) such new shares shall be offered to the persons who, at the date of offer, are holders of Equity Shares of the Company, in proportion, as nearly as circumstances admit, to the Capital paid up on those Equity Shares at that date;

ii) the aforesaid offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of offer within which the offer, if not accepted, shall be deemed to have been declined;

iii) the aforesaid offer shall be deemed to include a right exercisable by the Member concerned to renounce the shares offered to him or any of them in favour of any other person(s); and the notice of the offer referred to in the preceding sub-clause shall contain a statement of this right. But, nothing in this sub-clause shall be deemed (a) to extend the time within which the offer should be accepted by the Member concerned and (his or her) renouncee NOR (b) to authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made, has declined to take the shares comprised in the renunciation.

iv) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Member to whom such notice was given that he (or she) declines to accept the shares offered, the Board of Directors may dispose of such shares in such manner as the Board consider most beneficial to the Company;

v) the Board of Directors may likewise dispose of any new shares which (by reason of the ratio which the new shares bear to the shares held by Members entitled to an offer of new shares) cannot, in the opinion of the Board, be conveniently offered under these presents.

Power to sub-divide share capital:

74. The Company in any General Meeting, may from time to time, by Special Resolution:

(a) sub-divide its existing shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association, provided that in the sub-division of an existing share, the proportion between the amount paid and the amount (if any) unpaid on each such reduced share shall be the same as it was in the case of the share from which the reduced share is derived.

(b) consolidate and divide its share capital or any part thereof into shares of larger amount than its existing shares.

(c) The resolution approving the sub-division may also provide that, subject to the provisions of the Companies Act in that behalf, as between the holders of the shares resulting from such sub-division, one or more such shares shall have some preference or special advantage as regards dividend, capital, voting or otherwise over or as compared with the others or other.

(and its Board of Directors) would have if this Article were omitted and the rights of dissentient Members being holders of not less, in the aggregate, than ten per cent of the issued shares of that class to apply to the court of competent jurisdiction to have the variation or modification reconsidered for cancellation if found unfair or unreasonable.

XII—CONVERSION OF SHARES INTO STOCK

Conversion of Shares into Stock:

79. The Board of Directors may, with the sanction by Special Resolution of the Company in General Meeting, convert any fully paid Equity Shares into Stock and may with like sanction reconvert any such stock into fully paid Equity Shares of any denomination.

Manner in which stock may be transferred:

80. The holders of any stock may transfer the stock or any part thereof in the same manner as and subject to the same regulations under which the share from which the stock was created might, before the conversion have been transferred or as near thereto as circumstances, admit.

Minimum transferable stock:

(a) Provided that the Board of Directors may from time to time, fix the minimum amount of stock transferable at a time so however that such minimum shall not exceed the nominal amount of the Equity shares from which the stock was created.

Rights of stock-holders:

81. The stock-holders shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, voting at the general meetings of the Company and other matters, as if such stock-holders held the Equity Shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not if existing in shares, have conferred that privilege or advantage.

Regulations relevant to fully paid Shares to apply to stock-holders:

82. Such of these Articles of the Company (other than those relating to the share warrants if any) as are applicable to fully paid up shares, shall apply to stock and the words "share" and share-holder in these Articles shall include "stock" and Stock-holder respectively.

XIII—BORROWING POWERS

General Borrowing powers:

83. The Board of Directors may, from time to time, at its discretion, raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company on such terms and conditions as the Board shall consider appropriate; Provided that the moneys to be borrowed together with the moneys already borrowed and outstanding (remaining unpaid) by the Company (apart from temporary loans and overdrafts obtained from the

74. (d) Cancel any shares which, at the time of passing of the resolution have not been taken or agreed to be taken by any Member or person.

Power to Reduce Capital:

75. The Company in a General Meeting may, from time to time, by Special Resolution, reduce its (i) Share Capital and (ii) Capital Redemption Reserve Fund and (iii) any Share Premium account, in any manner and with and subject to any incident authorised and statutory consent required under the provisions of the Companies Act.

Repayment of Capital:

76. The Company may, subject to the provisions of the Companies Act, in any General Meeting, from time to time, resolve to pay off a part of its paid-up capital upon the footing that it may be called up again if and as when required.

X—SURRENDER OF SHARES

Surrender of Shares:

77. Subject to provisions of the Companies Act in this behalf, the Board of Directors may accept from any Member the surrender, on such terms and conditions as shall be mutually agreed, of all or any of such Member's shares (any class) or debentures from the holder.

XI—MODIFICATION OF RIGHTS

Power to modify rights:

78. (a) Whenever the subscribed capital (by reason of the issue of shares with preferential rights, or otherwise), is divided into different classes of shares, all or any of the rights and privileges attached to each such class may, subject to the provisions of the Companies Act, be modified, varied, commuted, affected, subrogated or dealt with subject to:

(i) the consent of the holders not being less than three-fourths of the nominal value of the issued share of the class concerned.

OR

(ii) the sanction of a Special resolution passed at a separate General Meeting of the holders of those shares and supported by the votes of the holders of not less than three-fourths of the nominal value of the shares of the class concerned.

Manner of holding separate class meetings:

(b) The provisions of these Articles relating to General Meetings, shall, mutatis mutandis, apply to these separate General Meetings except that the quorum of any such separate general meeting shall (subject to the provisions applicable to an adjourned meeting hereinafter contained) be such person or persons holding or representing by proxy three-fourths of the issued shares of the class concerned.

Rights of dissentient members:

(c) This Article (Modification of Rights) shall not by implication or otherwise, curtail or in any way derogate from any power the Company

borator (or by Trustee for the Debenture or debenture-stock or Bonds as per terms of the Trust Deeds, if any). Such Directors shall be known as Special Directors representing their appointers. It shall not be necessary for such Directors to hold any qualification shares and as far as feasible, suitable arrangements or adjustments inter-se between the other Directors on the Board shall be made so that the provisions of the Companies Act requiring that not less than two-thirds of the total number of Directors shall be liable to retirement by rotation is not, under any circumstances, be deviated from and if at all, any of the said Special Directors shall have to retire, the other Directors will make the necessary arrangements to ensure their re-election (the intention being not to expand the strength of the Board unduly to accommodate the larger number of non-retirable Directors). The said Special Directors shall continue on the Board of the Company only until such time and for such period as the arrangement, or agreement or Trust Deed under which they have been appointed continues, and such Directors shall automatically cease to be Directors immediately upon the termination of the arrangement, agreement or Deed or upon the repayment and discharge by the Company of any indebtedness or obligation in consideration whereof, such Directors were appointed.

Provision for Capital Redemption Fund:

89. The Board of Directors may, out of the annual profits and other sources and receipts (if any) of the Company, set aside such sums as the Board may think fit with the object of providing an adequate redemption fund for the repayment of redeemable preference shares, any bonds, mortgages, debentures or debenture stock or deferred payments, loans etc., herein above empowered to be created or raised or secured, on their respective due dates of repayment or at maturity.

Charge on uncalled capital:

90. Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon, shall take the same subject to such prior charge, and shall not be entitled by notice to the shareholders or otherwise to obtain priority over such prior charge.

Indemnity to Directors and others (against their personal liability on Company account):

91. If the Directors of the Company or any of them or any other person(s) shall become personally liable for payment of any sum of money primarily due from and payable by the Company, the Board of Directors may execute or be considered to have executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Director(s) or person(s) so becoming liable as aforesaid from any loss in respect of such liability.

Register of Mortgages and Charges to be kept:

92. The Board of Directors shall cause to be kept and maintained by the Secretary of the Company, a Register of Mortgages and Charges and of Debenture holders and cause necessary Returns and particulars to be filed with the Registrar and other provisions of the Companies Act in this behalf to be complied with, from time to time, by the said Secretary.

243

Company's bankers and others in the ordinary course of business) shall not, at any time, except with the consent of the Company in General Meeting, exceed the aggregate of the paid-up capital of the Company and its Free Reserves not being set apart for any specific purpose.

To raise funds:

84. The Board of Directors may, from time to time, raise or secure the payment or repayment of such sum or sums of money or arrange to obtain banking credits and other credit facilities in such manner and upon such terms and conditions in all respects as the Board shall consider proper and, in particular, by the issue of Debentures or Debenture-stock of the Company charged upon all or any part of the property and assets (moveable and immoveable) of the Company (both present and future) including its uncalled capital for the time being. And, the Board may generally exercise all the powers of borrowing and of raising of money vested in the Company.

To make Deferred Payment arrangements and secure long term credits:

85. The Board of Directors may, from time to time, obtain capital and other goods (plant, machinery, equipment, technical services) for the purposes of the Company, on terms of Deferred payment and under other long credit arrangements with foreign machinery manufacturers, suppliers and others. And for this purpose and to secure the said credit facilities, to create a charge upon all or any part of the property and assets acquired and/or to be acquired in favour of such manufacturers, suppliers, collaborators, guarantors and others on such terms and conditions as the Board consider appropriate.

Issue of Debentures, Promissory Notes etc:

86. Debentures, debenture-stock, bonds, mortgage, Promissory Notes, Bills of Exchange and other securities, may, at the discretion of the Board of Directors, be made assignable free from any equities between the Company and the person to whom the same may be issued.

Issue of Debentures etc. at a Discount:

87. The Board of Directors may, at its discretion, issue any bonds, mortgage, debentures, debenture-stock or other securities at a Discount, or otherwise or with such special privileges as to assignment redemption, surrender, drawing or otherwise, including the right to attend (but not voting thereat) the General Meetings of the Company, as the Board shall consider beneficial to the Company, and any debenture or debenture-stock created by the Company may be so framed that the same shall be assignable free from any equities between the Company and the original or any intermediate holders; Provided that no privileges or rights as to the exchange or allotment of shares or stock, (other than debentures), conversion into shares, voting at General Meetings and appointment of Directors on the Board of the Company shall be given, save with the previous sanction of the Company in General Meeting.

Nomination of special Directors and their cessation:

88. The Board of Directors may, at its discretion and from time to time, however, allow a nominee each of the Government of India, Government of Mysore State and any statutorily constituted industrial finance or investment Corporation, scheduled Bank or Guarantor or under-writer or foreign colla-

deposit of such requisition, carries the right of voting in regard to the matter to be considered at the Meeting. If the Board does not, within twenty-one days, from the date of deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters, on a day not later than forty-five days from the date of the deposit of the requisition, the meeting may be called by such requisitionists themselves.

Companies Act to apply where provisions not expressly contained in Articles:

97. (b) The provisions of the Companies Act governing the holding by the Board, of annual and extra-ordinary general meetings or on requisition by others, and holding of such meetings by the requisitionists and proceedings thereat and all matters relevant to such meetings, shall apply except in so far as are expressly contained under these presents.

XV—PROCEEDINGS AT GENERAL MEETINGS

Quorum for General Meetings:

98. Five members entitled to attend and vote at the general meeting and personally present shall be a Quorum for any general meeting of the Company.

What is Special and what is Ordinary business of General Meeting:

99. In the case of an Annual General Meeting, all business to be transacted at the meeting shall be deemed Special, with the exception of business relating to:

(i) the consideration of the Final Accounts, Balance Sheet and the Reports of Board of Directors and of Auditors,

(ii) the declaration of a Dividend,

(iii) the appointment of Directors in the place of those retiring and those co-opted by the Board since the last general meeting within the maximum strength of the Board fixed by these Articles,

and

(iv) the appointment of, and the fixing of the remuneration of the Auditors.

Companies Act to apply where provisions not expressly contained in Articles:

100. (a) The provisions of the Companies Act governing the Special Business to be transacted at annual and extra-ordinary general meetings, shall apply except in so far as are expressly contained under these presents.

Special Business:

(b) Any Special business can be transacted at an annual or at an extra-ordinary general meeting provided proper notice and a statement of material facts has been given with the notice in the manner required by the Act.

Restrictions on voting rights of Preference Share-holders:

101. The holders of redeemable cumulative preference shares (or holders of shares with cumulative preferential rights if any, as to dividends) shall not have the right to vote at any general meeting of the Company UNLESS their dividends are in arrears for an aggregate period of not less than two years on the date of the meeting, or on resolutions directly affecting their interests or rights subject always to the provisions of the Companies Act in this behalf.

Companies Act to apply where provisions not expressly contained in the Articles:

93. The provisions governing the Share Certificates, registration of transfer of shares, inspection of share-holders' registers, taking extracts therefrom or supply of extracts thereof, closure or suspension of transfer books, to all and any of these matters relevant to the Debenture and Debenture-holders, the aforesaid provisions shall generally apply except in so far as the Companies Act and/or these Articles expressly specify other provisions or regulations in which case such provisions shall govern the matters relevant to the Debentures or Debenture holders, under these Articles.

XIV—GENERAL MEETINGS

Statutory Meeting:

94. The Statutory Meeting of the Company shall be held within a period of not less than one month nor more than six months from the date at which the Company is entitled to commence business, and at such place and time as the Board of Directors may determine and the Board shall comply with the other requirements of the Companies Act as to the Statutory Report to be submitted to the Registrar and otherwise.

First Annual General Meeting

95. (a) The Board of Directors shall, in addition to any other general meetings. hold the first Annual General Meeting within eighteen months of the Company's incorporation, and may be held on the same day as the statutory meeting.

Subsequent Annual General Meetings:

(b) All subsequent Annual General Meetings of the Company shall be held by the Board of Directors of the Company within six months after the expiry of the Company's each financial year.

Interval between each Annual General Meeting:

(c) Not more than fifteen months shall elapse between the date of one annual general meeting and that of the next.

General Meetings not to be held on public holidays:

96. (a) Every annual general meeting shall be called for a time during business hours, on a day that is not a public holiday and shall be held generally at the Registered office of the Company or at some other place in the town in which the Registered Office is situated and the notice calling the meeting shall specify it as the Annual General Meeting.

Extra-Ordinary General Meetings:

(b) All other general meetings of the Company shall be called extra-ordinary general meetings.

Who can call for Extra-Ordinary General Meetings:

97. (a) The Board of Directors may, whenever the Board considers necessary, call an Extra-Ordinary General Meeting, and an extra-ordinary general meeting shall also be convened on requisition of members holding not less than one-tenth of such paid-up Capital of the Company as at the date of

ject to (if necessary) any adjustments envisaged in Article Eighty-eight hereof.

Additional Directors to retire at next Annual General Meeting:

(c) And, any additional Director not being a Director appointed in a casual vacancy shall, with the exception of the ex-officio and special Directors (subject to the maximum of one-third of the total strength of the Board) shall hold Office only until the next following annual general meeting of the Company and shall then be eligible, if they offer, for re-election.

Retirement of Directors by rotation:

(d) At least one-third of the Directors for the time being and whose period of Office is liable to retirement by rotation, shall retire by rotation at every Annual General Meeting.

Founder Managing Director not liable to retire by rotation:

(e) Subject to the provisions of the Companies Act, the Founder of the Company Sri S. V. Visvanathan whether he continues as the Managing Director or otherwise, shall not retire by rotation nor shall his directorship be subject to any adjustment envisaged in Article Eighty-eight hereof, the intention and purpose being Sri S. V. Visvanathan being the Founder of this Company and Undertaking, he should, at all times, be on the Board and shall not be made liable to retire by rotation and that, the said Sri S. V. Visvanathan shall at all times hold the position of the Managing Director and or any similar top position in the management of the affairs of the Company.

Director's qualification:

109. The qualification of a Director other than ex-officio Directors and special Directors and Sri S. V. Visvanathan, the Managing Director shall be holding of Equity-Shares of the nominal amount of Rupees Five thousand in the Company registered in his (or her) name solely or jointly with another or others.

A Director of this Company may become a Director of another Company:

110. A Director, Managing Director, Managing Agent (if appointed) of this Company may be or become a Director of any other Company promoted by this Company in which this Company may be interested as vendor, shareholder or otherwise and no such director, managing director, or managing agent (if appointed) shall be accountable to the Company for any benefits as a Director or member of such other company.

Directors may contract with this:

111. Subject to the provisions of the Companies Act, a Director, Managing Director, Managing Agent (if appointed) of this Company, may enter with any contract with this Company, as vendor, purchaser, seller, lender, agent, broker or otherwise,

Companies Act to apply to Director's interest etc.:

112. The provisions of the Companies Act governing the disclosure of interest, shareholdings, vacation of office, retirement by rotation of Directors, shall apply to this Company.

Appointment of Proxy:

102. Any member of the Company entitled to attend and vote at a general meeting of the Company, shall be entitled to appoint another person (whether such a proxy is a member or not) as his proxy to attend and vote instead of himself but a proxy so appointed shall not have any right to speak at the meeting.

Where Act to apply:

103. The provisions of the Companies Act relating to the election of Chairman to the postponement or adjournment of the meeting in the absence of a quorum, in the absence of Chairman, voting, proxies, demand of poll, motions, resolutions, adjournment of meetings and all other matters incidental to the calling, holding of general and extra-ordinary general meetings and proceedings thereat, recording of minutes etc., shall apply.

Chairman's Casting Vote:

104. The Chairman at all general meetings shall have a casting vote.

Attendance Book and Minutes Book of General Meetings:

105. The Board of Directors shall cause to be kept and maintained, by the Secretary of the Company, an Attendance Book and a Minutes Book in respect of the General Meetings as required by the Act.

XVI—BOARD OF DIRECTORS

Constitution of Board:

106. Unless otherwise determined by the Company in a General Meeting, the strength of the Board of Directors shall consist of not less than three Directors nor more than twelve Directors exclusive of all Special Directors mentioned in Article eighty-eight under these presents.

First Directors:

107. The first Directors shall be:

1. Sri S. V. Viswanathtan (Managing Director).
2. Sri P.V. S. Venkatachalam. (since deceased).
3. Sri R. B. Mamle Desai.

Board to fill casual vacancy:

108. (a) The Board of Directors shall have the power at any time and from time to time, to appoint any person either to fill a causal vacancy or an addition to the Board of Directors but so that, the total strength of the Board shall not at any time exceed the maximum number fixed herein above.

Mysore Government Directors:

108. (b) The Government of Mysore shall have the right to appoint one Director on the Board of Directors of the Company if the subscription of Government to the Company's share capital does not exceed Rs. 30,00,000 (thirty lakhs); and two Directors in the event of the Government's investment exceeding this amount.

The Director or Directors so appointed shall be referred to in these presents as "Special Directors" and they shall not be liable to retire by rotation sub-

XVII—PROCEEDINGS OF BOARD

Election of Chairman:

117. (a) The Board of Directors may, from time to time, elect a Chairman from among one of their colleagues on the Board. In the absence of Chairman, Sri S. V. Visvanathan shall be the Chairman and in his absence, the Board may elect one of their body present, to preside the meeting.

Chairman's Casting Vote:

(b) The Chairman shall have a casting vote.

Board Meeting to be held every three months:

118. The Board of Directors shall meet together in person, at least once in every three calendar months for the disposal and despatch of business of the Company, adjourn and otherwise regulate their meetings and proceedings as the Board shall consider appropriate .

Board's quorum:

119. The quorum for a Board meeting shall be one-third of the total strength of the Board for the time being or three Directors personally present, whichever number be the greater.

Circular Resolution:

120. A resolution by circulation shall be deemed to have been duly passed by the Board or by a Committee thereof, if such a resolution has been circulated in draft, together with a statement of material facts and other papers (if any) to all the Directors or to all the members of the Committee, then in India (not being less than the quorum of three fixed for a Board meeting or Committee, as the case be), and to all other Directors or Committee members, at their usual address in India and has been approved by such of the Directors as are then in India, or by a majority of such of them as are entitled to vote on the resolution.

Board's Attendance and Minutes Book:

121. The Board of Directors shall cause to be kept and maintained by the Secretary of the Company, a Register of Directors, etc., an Attendance Book and a Minutes Book of the Board meetings, Disclosure of Directors' interest, of shareholdings and such other registers and books in respect of the Directors etc., as are required to be kept under the provisions of the Companies Act.

XVIII—POWERS OF BOARD OF DIRECTORS

General Powers of Board:

122. (a) Subject to the provisions of the Companies Act and subject to such powers as are reserved to be exercised exclusively by the Company in a general meeting, and as are delegated by the Company in a General Meeting, to the Founder of this Company, Sri S. V.Visvanathan, the general control and supervision on the conduct of affairs of the Company shall be vested in the Board of Directors who may exercise all or any such powers and do all such acts and things, as are contained in these presents and under Borrowing Powers and as hereinafter and from time to time, be vested in the Board by the Company in a general meeting, but that no regulation or otherwise so made shall

Alternate Director:

113. The Board of Directors may appoint an Alternate Director, in place of a Director who is about to leave India (or has left) and is expected to be away for a period of not less than three months and an Alternate Director need not be a member of the Company and shall not be required to hold any qualification shares.

Election of Director other than a retiring Director:

114. (a) No person other than a retiring Director, shall unless recommended by the Board of Directors for election, be eligible for election as a Director at any general meeting and the Board shall not be bound to make any recommendation or otherwise, unless he or some other member intending to propose him has at least fourteen days before the meeting left at the office a notice in writing signifying his condidature for the office or the intention of such member to propose him as the case may be.

The Company shall inform its members of the candidature by serving individual notices on the members not less than seven days before the meeting OR in the alternative, the Company shall advertise such candidature or intention, not less than seven days before the meeting in at least two newspapers (one in English and the other in regional language) circulating in the place where the Company's registered office is situated.

Filing of consent to act as Director:

(b) It shall also be necessary for such person to file his consent to act as a Director.

Directors Sitting Fees:

115. (a) The remuneration of every Director shall be such sum as may be fixed by the Board of Directors from time to time, but such sum shall not exceed Rupees one hundred for every meeting of the Board or a Committee thereof attended by him during the period of construction of the Mills and shall not exceed Rupees Two hundred for every such meeting that is to say, start of manufacturing operations (production).

Directors' travelling and out-of-pocket expenses:

(b) In addition to the aforesaid remuneration, every Director may be paid all travelling, hotel, haltage and other expenses (or such other sums in lieu thereof, as the Board may consider appropriate) properly incurred by him,

(i) in attending and returning from the meetings of the Board of Directors, or any committee thereof; or

(ii) in connection with the business of the Company.

Board may pay to Director for any Company's work done by him:

116. The Board of Directors may also pay to a Director any remuneration for work of the Company entrusted to such Director(s) such sum as the Board may consider appropriate subject to the provisions of the Companies Act.

tions and privileges and to fix their salaries, emoluments, allowances and such other terms and conditions of service as the Board may consider appropriate in individual cases and from time to time.

To provide amenities to workers:

(vii) To secure or provide or cause to be provided such amenities, and benefits as the Board of Directors may consider necessary for the workers, staff and officers employed by the Company and for their families and children.

To provide provident funds etc.:

(viii) To provide for the employees (workers, staff and officers) provident funds, gratuities, pensions and to take other special security measures for the benefit and welfare of the employees, and their families and children.

To make regulations:

(ix) To make, vary, and repeal bye-laws for the regulation of the business of the Company, its officers and servants.

To appoint Trustees to hold Company's property:

(x) To appoint any person or persons (incorporated bodies only) to accept and hold in trust for the Company any property belonging to the Company or in which the Company is interested or for any other purposes, and to execute and do all such deeds, acts and things as may be requisite in relation to any such trust, and to provide for the remuneration of such trustee or trustees.

Legal proceedings:

(xi) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company, or its officers, directors or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debt due and of any claims or demands by or against the Company.

Reference to Arbitration:

(xii) To refer any claims or demands by or against the Company to arbitration, and observe and perform the awards.

To give discharges:

(xiii) To make and give receipts, releases and other discharges for money payable to the Company, and for the claims and demands of the Company.

To authorise issue of bills etc.: and operation of Bank accounts:

(xiv) To determine who shall be entitled to sign on the Company's behalf, bills, notes, receipts, acceptances, promissory notes, endorsements, cheques (including operation of Bank accounts), releases, contracts and agreements and other documents and operation of Company's Bank accounts.

invalidate any prior act of the Board of Directors which would have been valid if such regulation or otherwise has not been made.

Specific Powers of Board:

122. (b) It is hereby further expressly declared and the Board of Directors shall have the following powers to carry out all or any of the objects set forth in the Memorandum of Association and to do the following acts and things.

Commencement of Business:

122. (b) (i) To commence and carry on business where in the opinion of the Board of Directors a sufficient number of shares shall have been subscribed to justify the Board to do so after obtaining the requisite certificate for commencement of business from the Registrar of Companies.

Payment of Preliminary expenses:

(ii) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company as the Board may consider fit including the brokers' fee and brokerage on shares underwriting commission on shares and subsequent to the registration thereof, including therein the fees, and stamps, cost of advertising, printing, stationery, solicitors, auditors and other professional charges and costs.

Purchase of property rights:

(iii) To purchase, take on lease or otherwise acquire for the Company any property, rights, or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as the Board shall consider appropriate.

Mode of payments for acquiring property or rights:

(iv) To pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company including its uncalled capital or not so charged.

To secure fulfilment of contracts:

(v) To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such other manner as the Board shall think proper.

To appoint officers:

(vi) To appoint and at their discretion, remove or suspend such manager, secretary, accountants, officers, engineers and other servants (other than those which the Managing Director is authorised to appoint), for permanent, temporary or special services, as the Board may from time to time, consider appropriate and to determine their powers, duties, obliga-

To provide funds to meet claims:

122. (xxii) The Board of Directors, by fees or otherwise, are hereby empowered to provide a fund to meet (at their absolute discretion without any obligation to pay or meet), claims for compensation, and to raise the amount by mortgages and to impose such reasonable restrictions on the transfer of shares or with respect to powers of attorney for the transfer thereof, as the Board may consider requisite for guarding against losses arising from forgery. And, to meet any losses arising out of or due to dishonesty of or misappropriation by any of the employees or agents of the Company.

To create funds to meet contingencies expansions, dividend equalisation etc.:

(xxiii) The Board of Directors, before recommending any dividend for sanction at a general meeting, shall set aside out of the profits of the Company, such sums as the Board think proper as a reserve fund to meet contingencies or for equalisation of dividends or for special dividends, bonuses or for repairing, improving, expanding and maintaining any of the property of the Company, and for such other purposes as the Board shall at its absolute discretion consider conducive to the interests of the Company; and to invest the several sums so set aside upon such investments (other than shares of the Company or shares and other securities not quoted on any recognised Indian Stock Exchanges) as the Board may think fit, and from time to time to deal with and vary such investments and to dispose of all or any part thereof for the benefit of the Company and to divide the reserve fund into several special funds as the Board think proper with full power to employ the assets constituting the reserve fund in the business of the Company, and that without being bound to keep the same separate from the other assets of the Company.

Foreign Register:

(xxiv) The Board may, if necessary, cause a foreign register to be kept in accordance with the provisions of the Companies Act.

To approve Common Seal:

(xxv) (a) The Board of Directors shall approve a Common Seal of the Company and cause to be kept in custody of the Secretary.

To authorise affixture of Common Seal out of India:

(b) The Board of Directors may permit as and when the Board deemed necessary, to have the Common Seal being taken out of Indian Union to be affixed outside India, on any contract agreement, document, deed or instrument and where the Board decide to have the Seal affixed outside India, the Board shall have full power to approve its affixture in the presence of only one Director and/or in the presence of such official of a Government or High Commissioner of India or any other country as the Board may consider proper, in partial variance of the provisions of the Article under these presents governing the sealing of documents.

253

To appoint attorney's:

122. (xv) To provide from time to time, for the management of the affairs of the Company anywhere in the Union of India or elsewhere in such manner as the Board shall consider fit, and in particular, to appoint any persons to be the attorneys or agents of theCompany with such powers (including power to sub-delegate) and on such terms and conditions as the Board may consider fit.

To deal with Company's Money:

(xvi) To invest and deal with any of the monies of the Company not immediately required for the purposes thereof upon such securities (not being shares in this Company nor upon the securities not quoted on any of the Indian recognised Stock Exchanges) and in such manner as the Board may consider proper and from time to time, to vary or realise such investments.

To accept surrender of Shares and Debentures:

(xvii) To accept from any member, or debenture-holder, on such terms and conditions as the Board may agree, a surrender of his (or her) shares, debentures or any part thereof.

To indemnify Directors etc.:

(xviii) To execute in the name and on behalf of the Company in favour of Director or other person who may incur or be about to incur any personal liability for the benefit of the Company, such mortgages of the Company's property (present and future) as the Board shall think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.

To pay Commission etc.:

(xix) To give any person employed by the Company a commission on the profits of any particular business or transaction or a share in the general profits of the Company, and such commission or share of profits, shall be treated as part of the working expenses of the Company.

To enter into contracts:

(xx) To enter into all such negotiations and contracts, and rescind and vary all such contracts, and executed and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

To compensate losses arising out of unauthorised share transfers:

(xxi) When the Company has issued shares the Board of Directors shall have the power (at their discretion without any obligation to pay) to make compensation, by cash payment out of the Company's funds for any loss arising from a transfer of any such shares in pursuance of a forged transfer or of a transfer under a forged power of attorney, whether the person receiving such compensation, or any person through whom he claims, has or has not paid any fee or otherwise contribute to any fund out of which the compensation is to be paid.

To pay interim dividends:

122. (xxvi) The Board of Directors may pay to the holders of Equity shares such interim dividends not exceeding six per cent in any Financial Year of the Company as the Board may consider the position of the Company justifies.

Delegation of Board's Powers:

122. (c) The Board of Directors may subject to provisions of the Companies Act, from time to time delegate any of their powers to such Committees as the Board may constitute and from time to time, vary or revoke the delegation. Provided always that the Board of Directors shall not delegate any of the borrowing powers nor power to make calls nor to declare interim dividends and provided further that in so delegating or in the exercise of any of the powers of the Board or any Committee of Directors, the powers and functions of the Founder of the Company Sri S. V. Visvanathan delegated by the Company in a General Meeting, shall not in any way be subrogated, derogated, abbrogated, curtailed, overlapped, prejudiced or in any other adverse way be affected.

XIX—MANAGING DIRECTOR

Founder Managing Director:

123. Subject to the provisions of the Companies Act, Sri S.V. Visvanathan shall be the Managing Director of the Company with effect from the date of incorporation of the Company. And, the Agreement therefor shall be executed immediately after incorporation of the Company and when it is executed, the several covenants of the Agreement shall be deemed and regarded a part of these Articles. One of the considerations for the said appointment is that Sri S. V. Visvanathan has founded this Company and is conversant with the details of working of the Industry for the working of which, this Company has been formed. Further, Sri S. V. Visvanathan has personal contacts with the Foreign Collaborators (both technical and financial) in the United States of America and in European Countries. It is just and fair, therefore, both in the interests of the Industry (this Undertaking) and in appreciation and recognition of the initiative taken and services rendered by Sri Visvanathan at considerable sacrifice to his other business activities that such an agreement be entered and he is actively associated to take part in the Management of the business of the Company subject of course, to such restrictions as are laid down in the Companies Act in this behalf. It is only on this footing and understanding that the said Sri S. V. Visvanathan has undertaken to be the Promotor of this Company and this Company has been formed.

XX—SECRETARY

Secretary and Financial Adviser and his responsibilities:

124. (a) The Company shall have only one Secretary at any time and the Managing Director shall have the power to appoint the First Secretary of the Company on such terms and conditions as the Managing Director may approve. And, should at any time subsequently, the position of the first

Secretary fall vacant, the Board of Directors shall on the recommendation of the Managing Director fill in the vacancy on such terms and conditions as the Board may approve.

(b) The First Secretary shall also be the Financial Adviser of the Company, subject to the provisions of the Companies Act. He shall NOT be paid for this additional position (i.e. Financial Adviser) any remuneration or extra work allowance in addition to what he would be paid for being the Company's Secretary. However, when the Company attains a dividend paying stage, then the Board of Directors shall pay the Financial Adviser reasonable amount of additional emoluments (by way of Cash Bonus or Deferred Pay or any other stipend, annually) The decision of the Board as to the quantum of the additional emoluments payable to the Financial Adviser with due regard to the recommendation of the Managing Director in this behalf, shall be final.

(c) The Secretary and Financial Adviser subject to the superintendence of the Board of Directors shall be responsible, on behalf of the Company and of its Directors to comply with the provisions of the Companies Act applicable to this Company. And, to keep and maintain all the registers, books and accounts and submit returns, (including the annual Returns) in the manner required by the Act.

XXI—COMMON SEAL

Common Seal and its custody:

125. (a) The Common Seal of the Company shall be in the custody of the Secretary and Financial Adviser.

Affixture of Common Seal:

(b) The Seal of the Company shall not be affixed to any contract, agreement, deed or instrument except with the specific authority of a Resolution of the Board of Directors (not of any Committee thereof) and in the presence of at least two Directors and of the Secretary. And those two Directors and the Secretary shall sign every contract, agreement, deed or instrument to which the Common Seal of the Company is so affixed in their presence.

Sealing of Documents out of India:

(c) This Article shall not apply to any contract, agreement, document, deed or instrument to be executed and sealed outside India in which case, the Board of Directors has been authorised under these presents to partially deviate form the preceding Article requiring the presence of the Directors and the Secretary.

XXII—ACCOUNTS

Financial Year (of the Company):

126. The Finiancial Year of the Company shall be twelve months commencing form the first day of July and ending with the thirtieth day of June next.

Accounts to be kept:

127. (a) The Board of Directors shall cause to be kept under the supervision of the Financial Adviser proper Books of Accounts in which shall be

256

(b) for liquidation of any debentures, debts or other liabilities of the Company,

(c) for meeting any contingencies,

(d) for equalisation of dividends,

(e) for repairs, improvements etc., of the plant, machinery, buildings etc.

(f) for the benefit and welfare of the employees and servants of the Company,

(g) for special depreciation on assets, investments, plant, machinery, buildings, etc.

Company's contribution to Employees Benevolent Fund:

132. The Board of Directors shall also set apart, every year, at least quarter per cent of the net profits of the Company for the Employees Benevolent Fund to be utilised at the discretion of the Board, for the benefit of the workers and their children (such as education of the workers' children, their recreation and other social security, amenities such as old age pensions, gratuities, compassionate allowances to employees and ex-employees, their widows or dependent children).

Reserves to remain property of Company:

133. All moneys carried or credited to any of Reserve or other Funds, under these present shall nevertheless remain the property of the Company to be utilised or invested or ploughed back to the Company's business in such manner as the Board of Directors of the Company at its discretion, may consider appropriate or the Company in a General Meeting may direct.

XXV—DIVIDENDS

Dividend out of profit only:

134. No Dividend shall be declared for any financial year except out of the profits of the Company for that year arrived at after providing for depreciation and no dividend shall carry interest as against the Company.

Board's declaration of net profit final:

135. The declaration of the Board of Directors as to the amount of net profits of the Company shall be conclusive.

Company to declare dividend:

136. (a) The Company in General Meeting may declare a dividend to be paid to the members according to their rights and interests in the profits and subject to such other terms of issue, all dividends shall be proportionate to the amounts paid or credited as paid on the shares during any portion(s) of the period in respect of which the dividend is paid.

Time and place of payment of dividend:

(b) The Company in general meeting declaring the dividend may also fix the time and place of payment provided that the dividend warrant shall be posted within forty-two days of the declaration of dividend.

entered full, true, and complete accounts of the affairs and transactions and all purchases and sales, assets and liabilities of the Company.

Accounts Books to be kept at Registered Office:

(b) The Books of Account shall be kept at the Registered Office of the Company and shall always be open to inspection of the Directors during business hours.

Member cannot inspect Account Books:

(c) No member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board of Directors.

Annual Accounts:

128. The Board of Directors shall cause to be prepared and laid before the Company in general meeting Profit and Loss Account, Balance Sheet, Board of Directors Report, in such manner and in accordance with the Companies Act.

The Board shall also in all respects comply with the provisions of the Act relating to authentication of Balance Sheet, Profit and Loss Account, etc.

Companies Act to be complied with:

129. The provisions of the Companies Act relating to the form of Balance Sheet, Profit and Loss Account, and Board's Report and to the copies thereof to be sent to the Members and others entitled to receive notices of General Meeting, shall apply.

XXIII—AUDIT

Appointment of First Auditor:

130. (a) The First Auditor(s) of the Company shall be appointed and his (their) remuneration fixed by the Board of Directors within one month of the incorporation of the Company, to hold office until the conclusion of the First Annual General Meeting.

Appointment of subsequent Auditor(s):

(b) The appointment of an Auditor or Auditors for the second year and subsequent years and fixing his or their remuneration and all other matters relevant to the Auditor(s), shall be subject to the provisions of the Companies Act.

XXIV—RESERVES, DEPRECIATION FUND AND EMPLOYEES BENEVOLENT FUND

Amounts to be set aside before declaring dividend:

131. The Board of Directors may, from time to time, before recommending any dividend, and after providing for Depreciation, set apart any or such portion of the profits of the Company as the Board of Directors shall consider necessary and in particular, to meet for any or all of the objects and purposes mentioned below:

(a) for redemption of preference shares,

Company not to declare larger dividend than recommended by Board:

137. No larger dividend shall be declared than is recommended by the Board of Directors but the Company in general meeting may declare a smaller dividend.

Calls in advance not to rank for dividend etc:

138. Where any money is paid or credited as paid on shares in advance of Calls, such advance payment of call shall not confer any right to dividends or participate in profits except in so far and to such extent as the Board of Directors shall have agreed at the time of such advance payment of call, to pay interest on the same.

Board may declare interim dividend:

139. The Board of Directors may declare and pay interim Dividends not exceeding six per cent in any Financial Year of the Company, if the Board considers the financial position of the Company justified such interim payment.

Company's right to retain dividend:

140. The Board of Directors may retain any dividends on which the Company has a lien, and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

Member in default not entitled to Dividend:

141. No share holder shall be entitled to receive payment of any dividend or bonus in respect of his shares whilst any money may be due or owing from him — whether alone or jointly with any other person, to the Company until such dues or money owing from him has been paid or the Board of Directors decide to apply such dividend or bonus towards the dues or amount due.

No right to Dividend until registration of transfer:

142. A transfer of shares shall not pass the right to any dividend or bonus declared thereon before the registration of the transfer.

Dividend on Shares in transmission.

143. The Board of Directors may retain the dividends and bonuses payable upon shares in respect of which any person is under the Transmission Article entitled to become a member, or which any person under that clause is entitled to transfer until such person shall become a member in respect thereof or shall duly transfer the share.

Dividend set off against Call:

144. Any general meeting declaring a dividend may make a call on the member of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the Member, be set off against the call.

The making of a call under this clause shall be deemed ordinary business of an ordinary general meeting which declares a dividend.

Dividend in kind:

145. Any general meeting declaring a dividend may resolve that such dividend be paid wholly or in part by the distribution of specific assets and in

particular of paid-up shares, debentures, debenture-stock of the Company, or paid-up shares, debentures or debenture-stock of any other Company or in one or more of such ways.

Repayment of capital form surplus moneys:

146. Subject to the provisions of the Companies Act, a general meeting may, by Special Resolution, resolve that any surplus monies arising from the realisation of any capital assets of the Company or any investments representing the same or any other undistributed profits of the Company after providing for income tax (if any), be distributed among the members on the footing that they shall receive the same as capital.

Discharge of dividend receipts by joint-holders:

147. Any one of the several persons who are registered as joint-holders of any share, may give effectual receipts for all dividends and payments on account of dividends in respect of such share.

Company not responsible for wrong payment of Dividend:

148. The Company shall not be responsible or liable for any cheque or warrant lost in transmission nor for any dividend lost to the member or person entitled thereto, by the forged endorsement of any cheque or warrant or the fraudulent recovery thereof by any other means.

Notice of interim dividend:

149. Notice of the declaration of any dividend, whether interim or otherwise, shall be given to the registered holders of shares in the manner hereinafter provided.

Where application of the act is necessary:

150. Any provisions relevant to the payment of dividends, bonuses, distribution of profits etc., not specifically contained in these Articles, shall be governed by the provisions of the Companies Act.

XXVI—CAPITALISATION OF RESERVES AND OF PROFITS

Capitalisation of Reserves etc.:

151. (a) The Company in General Meeting may, at any time and from time to time and with due regard to the recommendation of the Board of Directors in this behalf, by Special Resolution, decide to capitalise any sum of money, investments or assets forming part of the undistributed profits of the Company including the amounts standing to the credit of any capital redemption fund, suspense account, share premium account, any reserve fund or funds (other than the Employees Benevolent Fund or any other fund specifically ear-marked for the benefit of the employees and ex-employees, their widows or dependant children) or any profit realised upon the sale or shown by a revaluation (by a duly qualified and experienced Valuer) of the capital assets or otherwise (after duly revaluing the liabilities, if necessary) available for distribution and the same shall be set free for distribution among the shareholders in accordance with their rights in the profits upon the footing that such distribution shall be in Cash or in shares as the special resolution sanctioning the distribution of the said undistributed profits shall prescribe.

through post in a prepaid letter addressed to them by name, or by the title of the representatives of the deceased or assignee of the insolvent member, or by any like description, at the address (if any) in India supplied for the purpose by the persons claiming to be entitled (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or insolvency had not occured.

Notice of General Meetings:

157. Notice of every general meeting shall be given by the Company in some manner herein before authorised.

Where application of the Act is necessary:

158. All matters not expressly provided for under these presents, concerning the contents and length of notice, special notice, for the general meetings, proxies, to be appended to the notice shall all be governed by the relevant provisions of the Companies Act.

Company not responsible for accidental ommission to send notices:

159. The Company, its Directors or Officers and employees shall not be responsible for any accidental omission to send a notice.

XXVIII—RECONSTRUCTION

Reconstruction:

160. Subject to the provisions of the Companies Act, the Board of Directors, if authorised by Special Resolution or the Liquidators on a winding up, if so authorised, may on the sale of the undertaking of the Company accept fully paid shares or partly paid shares, debentures or securities of any other Company incorporated in India either then existing or to be formed for the purchase in whole or in part of the property of the Company and the Board of Directors, if the profits of the Company permit, or the liquidators in a winding up, may distribute such shares or securities or any other property or assets of the Company amongst the members wthout realisation or vest the same in Trustees for them, and any Special Resolution may provide for the distribution or appropriation of cash, shares, securities, or any other assets and property of the Company, in such manner (in accordance with the strict legal rights or otherwise in any other manner, of the members or contributors' of the Company), as the General Meeting by Special Resolution determine.

XXIX—WINDING UP

161. If upon the winding up of the Company, surplus assets shall exceed the amount required to repay the whole of the paid-up capital, the excess amount shall be distributed among the Members holding EQUITY shares in proportion to the capital paid on such Equity shares held by them respectively at the date of commencement of the winding up other than amounts paid in advance of calls. But the aforesaid distribution of surplus assets shall be without prejudice to the rights of the holders of the shares issued with special rights and conditions.

Board to appoint person to make contract for shares to be issued:

151. (b) In the event of shares having to be issued for the above, the Board of Directors shall have the power to appoint any person (a Director or Member of the Company or any other person) on behalf of the holders of shares of the Company issued prior to such allotment to enter into such contract with the Company and any such appointment so made and any contract so entered shall be as valid and effective as if the same had been made and entered into by such shareholders individually and personally.

Board to settle any difficulty:

(c) The Board of Directors shall also have the power to settle any difficulty which may arise in regard to the fractional certificates in such manner as the Board may consider fair and equitable, if such fractions arise as a result of issue of shares referred to in the preceding clause 151 (a and b).

XXVII—NOTICES

Authentication of Notices:

152. Notices from the Company may be authenticated by the signature printed, typed or written, of any Director, Managing Director, Secretary and Financial Adviser authorised by the Board of Directors for the purpose on this behalf.

How notices will be sent:

153. (a) A notice may be given by the Company to any member either personally or by sending it by post to him to his address registered in the books of the Company or if he has no such registered address in the Indian Union, to his address, if any, within the Indian Union last supplied by him to the Company for the giving of notices to him.

Notice sent by post:

(b) Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying postage, and posting a letter containing the notice and, unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary or nominal course of post, and in the case of a notice of general meeting, at the expiry of forty-eight hours of posting the notice.

Notice to joint-holders:

154. A notice may be given by the Company, to the joint-holders of a share by giving the notice to the joint-holder named first in the Register of Members in respect of the share.

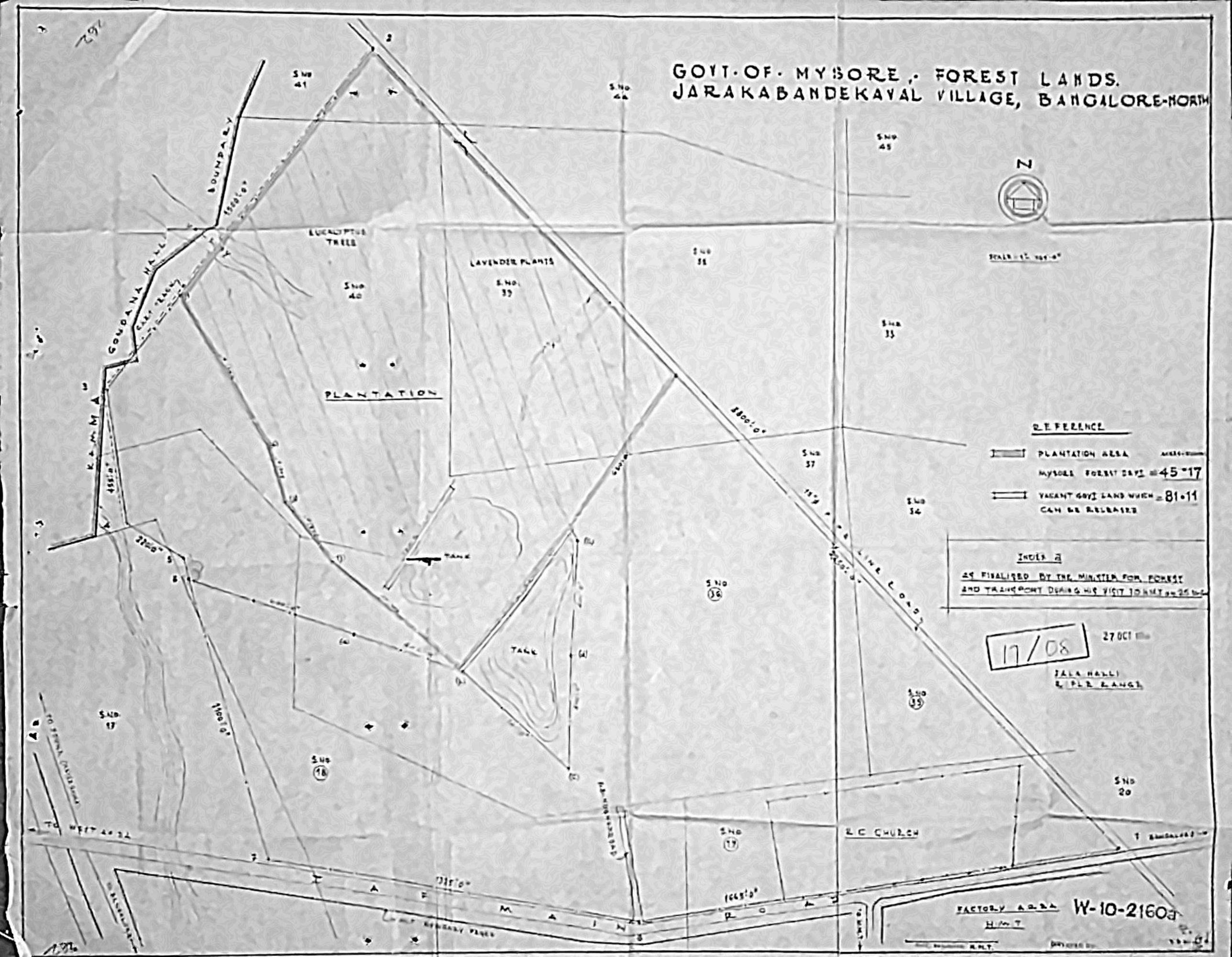
Notice to Members not having registered address:

155. If a member has no registered address in Indian Union and has not supplied to the Company an address within the Union of India for the giving of notices to him, a notice advertised in a news-paper circulating in the neighbourhood of the Registered Office of the Company, shall be deemed to be duly given to him on the day on which the advertisement appears.

Notice to legal representatives:

156. A notice may be given by the Company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it

ROUGH CAPACITY OF THE RESERVOIR
GREATER MYSORE
RAYON GRADE PULP & PAPER MILLS LTD.
ROUGH CAPACITY
OF THE
RESERVOIR
G.M.6.


GOVT. OF MYSORE, FOREST LANDS.
JARAKABANDEKAVAL VILLAGE, BANGALORE-NORTH
N
BOUNDARY
GOUDANA HALLI
KAMMA
EUCALYPTUS TREES
LAVENDER PLANTS
PLANTATION
TANK
TANK
R.C. CHURCH
REFERENCE
PLANTATION AREA
MYSORE FOREST DEPT = 45.17
VACANT GOVT LAND WHICH CAN BE RELEASED = 81.11
INDEX A
AS FINALISED BY THE MINISTER FOR FOREST AND TRANSPORT DURING HIS VISIT TO HMT
17/08
27 OCT
JALA HALLI
RIPLE RANGE
FACTORY AREA
HMT
W-10-2160a

XXX—INDEMNITY

162. Subject to the provisions of the Companies Act, every Director, Managing Director, (Managing Agent if appointed), Secretary and Financial Adviser, Auditor, Manager, and other officer or servents of the Company shall be indemnified by the Company against, and it shall be the duty of the Board of Directors, out of the funds of the Company to pay all costs, losses, charges and expenses which any such officer or servant may incur or become liable to, by reason of any contract entered into or act or thing done by him as such officer or servant, or in any way in the discharge of his duties provided in such proceedings (civil and criminal) he is acquitted or in connection with any application under Section 633 of the Companies Act, he is granted relief.

XXXI—SECRECY

163. Save as is required or permitted by the Companies Act, no member shall be entitled to require discovery or disclosure or import of any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, or secret process or which may relate to the conduct of the business of the Company and which in the opinion of the Management or Board of Directors of the Company, it will be inexpedient in the interest of the members of the Company as a whole to communicate (either orally or in writing) such information.

Sl. No.	Names & Addresses of the Subscribers.	Descriptions and Occupations	Number of Equity Shares subscribed for Cash	Witness
1.	S. V. VISVANATHAN, 6-E, Brigade Road, Bangalore-1.	Industrialist and Businessman.	6000	2. M. SHAFI-UL-HUQ, Accounts Officer, 6-E, Brigade Road, Bangalore-1.
2.	LAKSHMI VISVANATHAN (MRS.), 4, Kensington Road, Ulsoor, Bangalore-1.	do.	4000	
3.	P. V. S. VENKATACHALAM, 7-B, Brigade Road, Bangalore-1.	Merchant and Businessman.	500	
4.	R. B. MAMLE DESAI, Chairman, Agriculture Produce Market Committee, Haveri, Dist. Dharwar.	Businessman.	500	
5.	G. N. DESAI, Kallapur, Taluk Hanagal, Dist. Dharwar.	Landlord.	100	1. M. PADMANABHAN, Personal Assistant to Sri S. V. Visvanathan, 6-E, Brigade Road, Bangalore-1.
6.	M. S. MEHTA, Managing Director, Barton Son & Co. (P) Ltd., Mahatma Gandhi Road, Bangalore-1.	Businessman.	100	
7.	MANJULA M. MEHTA (MRS.) 22-D, Residency Road, Bangalore-1.	do.	100	
8.	H. M. ABDUL RAZACK (DR.), 4-J, Mosque Road, Fraser Town. Bangalore-5.	Chartered Secretary & Cost Accountant.	10	
9.	SHIVALINGAPPA S. HERUR, Merchant, Haveri, Dist. Dharwar.	Merchant.	100	

Bangalore-1. Dated the Eighteenth Day of November 1959.

GOVERNMENT OF MYSORE

No AFS 20 PAC 58.

MYSORE GOVERNMENT SECRETARIAT,
VIDHANA SOUDHA,

Dated, Bangalore,.....31 JAN 1961

FROM

The *Secretary to the Government of Mysore,*
Agriculture & Forest Department.

To

1. The Secretary to Government, Public Works Department.
2. The Secretary to Government, Commerce & Industries Dept.
3. The Secretary to Government, Revenue Department.
4. The Chief Conservator of Forests, Bangalore.
5. The Secy. to Govt., Public Health, Labour & Municipal Admn. Deptt.

Sir,

Sub:- Greater Mysore Rayon Grade Pulp and Paper Mills - Grant of concessions.

I am directed to state that it is proposed to hold a meeting in the chambers of Secretary to Government, Agriculture & Forest Department to discuss the agreement to be entered into with the Greater Mysore Rayon Grade Pulp and Paper Mills Ltd., I am to request you therefore to make it convenient to attend the meeting on 4th Feb.1961 at 11 A.M. ~~without fail~~.

A note on the subject is enclosed.

Yours faithfully,
sd/-

(N. Choodappa)
Under Secretary to Government,
Agriculture & Forest Department.

Copy to the Personal Assistant to Deputy Secretary to Govt. Agriculture & Forest Department.

31/1

(N. Choodappa)
Under Secretary to Government,
Agriculture & Forest Department.

N/31.1.61.

2P FRC 58 266

Factory for manufacture of Rayon Grade Dissolving Pulp at Kalwar

R CI 1842/Sec 62

P3/c

Letter D. 21.3.1962 from the Managing Dir the Greater Mysore Rayon Grade Pulp & Paper Mills Ltd. Bangalore addressed to Chief Min..

1 The Managing Dir of the Greater Mysore Rayon Grade Pulp & Paper Mills Ltd. Bangalore has referred certain matters to Govt for consideration. From the letter it is seen that ~~all~~ the items referred to relate to Forest Dept & P.W. Dept. ~~and the CVI~~

11/4/62

P12475

1

No. V. S.

CHIEF MINISTER'S SECRETARIAT,
BANGALORE.

Dated. 28th. March..1962.

Sri S.V.Viswanathan,
Managing Director,
Greater Mysore Rayon-Grade Pulp
and Paper Mills, Ltd.,
6-E, Brigade Road,
Bangalore-1.

1842/62

Sir,

I am desired to acknowledge the receipt of your letter dated 21st March 1962 addressed to the Chief Minister of Mysore, regarding your factory for manufacture of Rayon grade Dissolving pulp at Kalsur, and to state that the same has been forwarded to the concerned authority for examination and taking necessary action immediately.

Yours faithfully,

Sd/-

(S.S.Upadhye)
Private Secretary to the
Chief Minister.

P12476/62 31/3 31/3.

Copy to the Secretary to Govt., C & I Dept. together with the letter under reference for examination and taking necessary action immediately.

Sri. J. 31/3

Private Secretary to the
Chief Minister.

or.

Telegram: "RAYONPULP"

Telephone: Office : 71301
Residence : 70119

Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd.

S. V. Viswanathan,
MANAGING DIRECTOR

Registered Office
6-E, BRIGADE ROAD
BANGALORE-1

Date 21st March 1962.

The Chief Minister,
Government of Mysore,
Bangalore.

Dear Sir,

Factory for manufacture of Rayon grade Dissolving Pulp at Kalsur.

May I invite your kind attention to the marginally noted correspondence that has passed on between me and the various officials of the Secretariat. It pains me very much indeed that more than once I have never received even an acknowledgment.

1. Sub: Clearance of Materials and Logging Rates:

   Ref: Correspondence ending with our letter d/12-2-62 to the Secry., Agriculture & Forest Dept.

The Government in the Forest Dept. permitted me to clear a few acres in order to celebrate the laying of the Foundation Stone for my Factory at Kalsur, but I am sorry to state that though it is over a year, the rates for felling of the material and transporting it to the depot have not yet been intimated to me. In order to see that the material felled does not deteriorate, I have instructed my representative to transport the material and to deliver it to the depot at Kirvati. I have written to Government in this behalf several times, but my letters have all fallen on deaf ears.

2. Sub: Demarcation of area for Factory site at Kalsur and handing over:

   Ref: Correspondence ending with our letter d/11-9-61 to the Secry. to the Govt.of Mysore, Agriculture & Forest Dept.(copy to C.C.F.) and our letter d/6-11-61 to the D.F.O., Kanara Eastern Circle, Dharwar, (copy to C.C.F.).

It is now past one year since the ceremony of laying the foundation was celebrated by my Company. Almost everything that had to be cleared through the Central Govt. has been achieved since a long time but I am constrained to state that all my attempts to make any progress at the State level have not succeeded in any measure. The Ministers and the State Government have always assured me their fullest support and co-operation in making this Industry, which is a premier Industry in

our State, a success but in fact I find that every time I approached the Government, so many meetings took place, but hardly anything useful for the progress of this industry has been achieved. The schedule for the various operations in connection with manufacture of machinery etc. has been working to time. As per schedule the Company is expected to start production of Rayon grade Pulp by the end of 1963. As a matter of fact, the area asked for by me, namely 600 acres, ought to have been handed over to me during this working season, if not earlier, because clearance of this large area cannot be achieved in a short time, unless large amounts are invested on it, which could have been easily avoided. The rains are approaching very fast, and even now there is no sign of handing over the area, nor even sanctioning the rate for the material felled by me, in the couple of acres, last year, for celebrating the laying of the Foundation Stone of the Factory.

In the several meetings which I attended, I found a lot of anxiety being expressed about assigning land and allocating raw material to the other factories which came much later than I did in the field in this State. I am constrained to state here that these Companies have neither obtained any technical know-how nor any foreign exchange so far. As far as my Company is concerned, I obtained all these things since the last one year, and yet the Government is treating my Company almost on par with the others, who have hardly made any impression at Gowernment of India level.

I therefore earnestly request you to kindly look into this state of affairs and hand over to me the area of 600 acres, so that I could clear it to keep up my schedule of production of Rayon grade Pulp by the end of 1963. Similarly, merely handing over the area would not serve the purpose. The rate at which the materials should be delivered at the Kirvati depot has also been discussed at great length, and I gather that the papers are lying at Government level. The rate may also kindly be settled and intimated to me, so that the work could go on at a quick pace.

3. Sub: Construction of Reservoir:
Ref: Letter d/1-9-61 No.PWD.113.EEB.64 from the Under Secry.to Govt., P.W.D. & Elec.Dept., and our reminder d/3-1-62 to him.

Since my Company has to make its own arrangements for adequate supply of water for this huge concern, I have to undertake construction of a storage of water to meet the requirements of the full twelve months of the year. Our Collaborators and Technical Experts have already sur-

veyed the area near our factory and located a spot for damming the Thandi-Nala - a perennial stream, so that adequate quantities of water required for this factory could be stored in it. This also would entail clearance of a little area for the construction of the Dam, and necessary orders in this behalf may also be passed, so that the Forest Dept. would not object to the clearance there also. The construction of the dam and consequently the storage expanse is likely to submerge some of the forest area bordering the Thandi-Nala, as also some of the abandoned fields and also cultivated fields to a certain extent. I am sure the Government would permit us the clearance of the submersion areas on the same terms as will be sanctioned for the clearance of our factory site, so that the whole work could be expedited. We would also require the help of Government in acquiring the private lands in case they get submerged.

4. Sub: Raw Material (Bamboos):

Ref: Correspondence ending with our letter d/12-12-61 to Hon'ble Minis for Forests, and our letter d/12-15/1/62 to the Secry.Agriculture & Forest Dept., re Supa Joida Area.

Right from the inception of the Factory I have been assured more than once, both in writing and orally, that my Company would be given all the Bamboo of North Kanara district, excluding the quantity that is already granted to the West Coast Paper Mills. Later on, it was pointed out to me that 20,000 tons of bamboos out of the total quantity available for my factory would be reserved for meeting the public demand. Since it was a question of meeting the public demand I readily agreed to it. Later on, the Government carved out 5000 tons of bamboos to satisfy the requirements of a hard-board factory which was to be started by the Indian Plywood Co: at Dandeli. Even though this is a small quantity, it would in fact adversely affect the production aimed at by my Factory, but I did not object to it because it was in the general interest and, after all, it was a very small quamtity. Thus, the total quantity of bamboo that would be available for my factory was ... 1,60,000

Less	20,000		
"	5,000	...	25,000
			1,35,000

This reduced meagre quantity of 1,35,000 tons does not permit my factory a production of even 100 tons of Rayon grade Pulp per day. As a matter of fact, the Government ought to give me enough raw material to produce 115 tons per day to start with, as promised earlier. As per my schedule, I should reach 350 tons production soon after a period of 5 years. I have

therefore to request you to kindly see that not only this balance quantity is reserved for me,but, if possible, to allot some other areas so that I could maintain my initial start at 115 tons of Rayon grade Pulp production per day.

5. Sub: Royalty:

Ref: Our letter d/12-12-61 to Hon.Minister for Forests - last para.

As regards the Royalty, the Government had approved a rate of Rs.3/- per ton of air dry bamboos. During subsequent discussions, however, it transpired that this rate would be enhanced. The Government felt that they should fix a rate of Rs.10/- per ton of air dry bamboo, and since the Industries have to be given some sort of special treatment, the rate would be fixed at half of this rate, namely, Rs.5/- per ton of air dry bamboo. Even this rate is rather much too much for an industry like that of mine, which is entirely a new one in the whole of India, and the first of its kind both in magnitude and production in our State of Mysore.

6. Sub: Lops and Tops and other soft woods:

Ref: Our letter d/17-8-60 to Hon.Minister for Forests & Transport and reminder d/16-8-61 to the Chief Conservator of Forests.
2.Our letter d/29-11-61 to the Secry., Agriculture & Forest Dept.

I am aware of the fact that the Forest Dept. is attempting to raise Eucalyptus trees to serve as a substitute for bamboos, in view of the fact that the bamboos have started flowering, and this in turn is definitely going to affect bamboo-based industries adversely. I am very grateful to the Government for taking such a step. What I should like to stress is that the areas in which these plantations have been raised may kindly be increased, because it is strongly felt that in a matter of about 3 years all the bamboo of North Kanara will have flowered,and the bamboo-based industries,such as mine, will be faced with a very serious problem, in order to get its required raw material. I gather from my Collaborators and Technical Experts that Eucalyptus would serve as a very good raw material for the production of Rayon grade Pulp. I have therefore to request the Government to raise the species over a very large area, so that it could meet the requirements of the Company when bamboo will have flowered and supplement the total raw material, when the new bamboos come back to their original stature, so that it should not be difficult for me to reach my full production of 350 tons within as short a period as possible.

Incidentally, I should also like to mention that besides bamboo I should like to make use of the lops and tops of the various trees felled

by the Department which would be found suitable for the manufacture of Rayon grade Pulp. These species, however, would be indicated in due course when the factory goes into production after taking actual trials of the lops and tops of various species. Even in this case, I should like to stress that so far, these lops and tops in many parts of the North Kanara district are going to waste. I have no doubt that Government would fix a very reasonable royalty for this material, so that it would benefit both the Industry and the Government.

I am sorry that I had to state at length the various facets of the correspondence that went on between my Company and the Government, as also the various discussions in several meetings which took place between the officials of the Secretariat, Ministers and myself. The delay has been affecting the progress of this Industry very very much indeed. I am constrained to state that there have been several changes in the Secretaries who have been handling this file, similarly, there have been changes in the Ministers. I am afraid that a s a result of this, there has been hardly any positive step taken by the Government, and, on the contrary, I am forced to state that it has served in obstructing the progress of this Industry. Since I have kept everything ready to forge ahead, even the floating of the Shares etc., I request you to kindly solve the outstanding problems as enumerated above without further delay.

Thanking you.

Yours faithfully,
for GREATER MYSORE RAYON-GRADE PULP & PAPER MILLS LTD:

S. V. Vish.

(S.V.VISVANATHAN)
Managing Director

273

NOTE FOR DISCUSSION.

A concern styled as The Greater Mysore Rayon Grade Pulp and Paper Mills Ltd., is establishing its Mill at Siddalgundi in the Forest areas of Kanara District. For this purpose, the Company through its Promoter in Sri. S.V.Viswanathan, has to enter into an agreement with Government. A draft of the agreement is enclosed.

2. The agreement between any private party and the Government in cases of this type should normally embody interalia conditions relating to the following af general aspects:-

i) Grant of lands for the establishment of the industry and its rental value;

ii) Availability of raw material;

iii) The period for which the raw materials are to be made available;

iv) The rate of royalty to be charged for the raw material;

v) The rate that should be charged for the supply of water, if any water is to be made use of by the industry;

vi) The nature of restrictions to be imposed on the industry, if it were to discharge trade effluent;

vii) The terms and conditions governing the use of roads existing and to be constructed by the Department and by the industry;

viii) Safeguards to be taken from the industry towards protection of the neighbouring forest areas.

3. A cursory perusal of the draft of the agreement will reveal that there are various aspects to be dealt with and decided by various departments. The departments and the subject matter related to them on which decisions have to be taken are discussed below:-

(a) Water and Power Supply:-

PWD/RD. The source of supply of water to this Industry and its housing colony is river Bidethi. The daily indent of water is estimated at 10 million gallons per day.

the rate at which water has to be made available to the industry has to be decided. The West Coast Paper Mills utilise water from Kalinadi and Government have levied water rate at Re.1/- per 10,000 Cft. for a period of first ten years and Rs.2/- per 10,000 Cft. thereafter. The same rates may be applied to this industry also. In order to assess the quantity of actual intake of water, the Industry will have to be insisted upon to fix proper water meters at their cost. It has also to be made clear to the Industry that the rate of water to be charged is on the actual quantity of water drawn by the mill and NOT the actual quantity of water used (consumed).

(b) The Company points out that River Sidethi is not a perennial river and in order to store water to ensure itself of an uninterrupted, continuous and adequate supply of water, it contemplates to build a dam or dams at its cost. It has to be examined whether or not River Sidethi is a perennial river. If it is not, Public Works Department have to advise whether construction of a dam to store water to meet with the requirements of the Industry in the lean months is necessary. If a dam is considered inevitable and the Company is allowed to construct the same, it is for consideration whether the company be allowed to drew free supply of water upto the period within which the cost of the dam incurred by the Company shall be recovered. In the alternative, Government in the Public Works Department may consider the feasibility of constructing a dam across the Sidethi River which may serve other purposes as well, in which event the company will be charged full rates as is being done in the case of the West Coast Paper Mills and similar industrial concerns. Yet another point for consideration is that in the event of the company being authorised to construct a dam, whether the concession of free supply of water requested above should at all be given,

the dam the company is proposing to construct is for the sole benefit of the factory.

(c) If after the above mentioned are considered and construction of a dam is considered inevitable, then the point that comes up for consideration is about the area that will necessarily go under submersion. In such an event the Company should be made to pay financial compensation for the area that will come under submersion. Public Works Department and Revenue Department will have to advise on the quantum of compensation that has to be recovered and the terms and conditions on which such a construction can be allowed. The point whether the dam so constructed will remain the property of the Company for ever or will become Government property after a period to be specified will also have to be considered. Whether the water impounded by the construction of the dam by the Company will be for the exclusive use of the Company or otherwise is also a point on which a decision has to be taken.

(d) In the relevant clause in the agreement, it is indicated that "bulk supply rates" be charged for the electric power supply required by the Company. In a letter addressed by the Secretary, Commerce & Industries Department in his No. 4 PRS dated 23-8-1959 to Shri Viswanatham, it is seen that the Commerce and Industries Department have informed that the factory's requirement of 1500 K.W. of power will be made available from the Bhadra Project and that the Electricity Board are being requested to reserve this power, rates being as per schedule. It has to be finally decided now whether the rates to be charged are bulk rates or schedule rates; taking into consideration the procedure followed in regard to similar industrial undertakings.

4. Blasting operations and discharge of trade effluents:

(a) Clause 6 (5) of the agreement makes provision for

blasting rocks in the river bed, presumably in connection with the construction of the proposed dam. If at all these operations have to be agreed to, these should be to the satisfaction of the Public Health Department

(b) The agreement does not specify that the industry should have a recovery plant or a treatment plant. It is not known from the technical point of view whether the effluents discharged by this industry are free from chemical substances, but it may be presumed that the paper industry does produce effluents which are harmful to human beings cattle population as well as fish. It is, therefore, necessary to make it clear in the agreement that the company should take necessary steps to treat the effluents so as to render them innocuous for fisheries, agriculture or other domestic purposes.

AGP Dept/RD.

5. Grant of land:

(a) Extent: The area required by the Company, as indicated in the agreement, is 600 acres for housing the factory and its employees' housing colony. The extent of land given to the West Coast Paper Mills is 200 acres for the factory, 40 acres for the housing colony and 15 acres for the Treatment plant i.e., in all 255 acres and there is a request for granting some more land which is receiving attention of Government. The requirement by the Greater Mayons of 600 acres of land is of a high order. To begin with we may perhaps agree to the release of 300 acres of forest land.

(b) Period of lease: In the draft agreement the lease period is indicated as sixty years. The period of lease for the lands granted to the West Coast Paper Mills is 30 years and their request for enhancing this period has not so far been conceded. In order to ensure that no discrimination is shown with respect to the industries of the

lease period as 30 years in the first instance, subject to renewal after expiry of the period. While we are considering this question we should also think of the pros and cons of a short term lease, long term lease and an outright sale. What should be the terms and conditions of a long term lease or an outright sale; whether the land is to be disforested, if so, whether it attracts conversion fine and N.A.Assessment are questions that need consideration

(c) Rental: This aspect of the matter is not clearly defined in the draft agreement. It would be necessary for us to fix at least a minimum ground rent based on our experience with the lease of land to the West Coast Paper Mills depending, however, upon the nature of the land and the species of forest wealth on that extent. The area handed over to the West Coast Paper Mills has been leased on an annual rental of Rs.80/- per acre. The choice before the promotor of the present mill will be either taking the land on lease basis on payment of annual rent to be fixed by Government or to purchase the entire area on payment of occupancy price to be decided by Government. What should be the reasonable rent or occupancy price are matters of vital importance and these matters may have to be decided with due regard to the fact that the area would be developed in due course and the price of land would definitely go up. The area may perhaps be inspected by the Secretary, Agriculture and Forest Department, the Divisional Commissioner, Deputy Commissioner and the Chief Conservator of Forests and arrive at a decision on what the annual rental should be or the occupancy price of the land.

A.A.P.D/C & I.D. 6. New material:

(a) The New Material Resources Committee constituted by the Commerce & Industries Department at its several meetings considered the application of Greater Mysore Rayon and found that this factory will need about 1,32,[illegible]

238

of raw material per annum, this being its minimum economic requirement. The Company's target to begin with is to produce 50 tons of Rayon Grade Pulp and 50 tons of pulp for paper per day with sufficient latitude for expansion, because from the estimates of availability of the raw materials in the areas other than conceded to the West Coast Paper Mills, there is sufficient raw material available for the mills programme of enhancing the production. The areas to be leased out for exploitation have to be clearly defined and also the different species of raw material have to be clearly mentioned. As regards committment of continuous supply of raw material to the concern, while this type of assurance is necessary, it should be clarified that if due to natural causes the forest department cannot make adequate supplies of raw material, the liability shall not be of the Government.

(b) As regards expansion programme of the mills production, the Company should be asked to take part in consultation with the Forest Department to develop areas assigned to them so as to obtain sustained and increased yields and alternative sources of supply:

(i) by a systematic extraction of bamboo which according to experience so far gained, is expected to give progressive increased yields;

(ii) by raising regular plantations of bamboo;

(iii) by supplementary planting of suitable eucalyptus and other kinds of wood; and

(iv) by exploiting hard woods in the area, particularly for manufacturing "dissolving pulp" (rayon grade) following the practice developed in other advanced countries.

7. Royalty:

On the basis of the rates of Royalty in the case of the West Coast Paper Mills

Mysore Rayons have also indicated the Royalty Rate as Rs.3.12 np. per ton of the pulp. This aspect of the matter needs careful examination and while considering the matter, two aspects suggest themselves for consideration and they are:-

(1) the agreement should be more advantageous to the Government and any lapses or errors by oversight which occurred in previous committments should be remedied taking into account the experience in the past;

(2) there should be minimum of discrimination between two industries situated in similar circumstances. With this in view, we have to now consider whether the rate of royalty of Rs. 3.12 np. on a ton of pulp is acceptable with respect to this industry. From the experiences gained with the dealings of the West Coast Paper Mills, we have to accept the fact that the rate of royalty is too much on the lower side. At the time when the West Coast Paper Mills had started negotiations and finalised matters, bamboo was considered almost useless. But today, with the fact that the importance bamboo has gained in the forest economy, Government perhaps cannot view bamboo as it viewed while finalising the affairs of West Coast Paper Mills. A dispassionate examination of the rate at which bamboo is sold will reveal that in Kanara and Haliyal the permit rate for bamboo is of the order of Rs.8/- per ton and the market rate is about 3 or 4 times this price. Taking the ratio of pulp to raw material as 1:4, it will be seen that even taking permit rate as the basis, Rs.32/- worth of bamboo yields one ton of pulp and for this a royalty of Rs. 3.12 np. is levied. It will be clear therefore that it results in enormous loss to Government. The Forest Department ought to be interested in the quantity of bamboo actually removed by the

use of for manufacture. No doubt, in the case of the West Coast Paper Mills, Government agreed that the royalty shall be payable on the basis of the quantity actually manufactured by the mills. This is a very liberal clause and because of this there is a greater scope for misuse of raw material. With this background, it is for consideration that the "royalty" should be with reference to the quantity of bamboo and other raw materials received at the premises of the factory from the forests and not with reference to the actually manufactured product. The rate of royalty has, therefore, to be fixed at a much higher figure in consultation with the Chief Conservator of Forests.

6. Reading of the agreement clause by clause and to take decision on minor changes marginally noted in the draft agreement (P.115 - 147/GF).

31/1

(B. Ghoodappa)
Under Secretary to Government,
Agriculture & Forest Department.

This AGREEMENT made between THE GOVERNOR OF MYSORE hereinafter called "The Government" (which expression shall unless the context does not so admit include his successors in office or successors in Government as a result of any bifurcation of Mysore State or of any adjoining States or ceding of the area herein leased to another State on any reorganisation or otherwise), of the FIRST Part

SHREE S.V. VISVANATHAN Son of..... age about..... years residing at ..... hereinafter called "The Confirming Party" (which expression shall unless the context does not so admit include his heirs, executors and administrators) of the SECOND Part and

GREATER MYSORE RAYON-GRADE PULP & PAPER MILLS LTD., a Company incorporated under the Indian Companies Act I of 1956 and having its Registered Office at 6-E, Brigade Road, Bangalore-1, hereinafter called "The Company" (which expression shall unless the context does not so admit include its successor or successors in interest) of the THIRD Part

WHEREAS being desirous of starting a Factory in Kanara district, for the manufacture of Rayon-Grade pulp and Paper, the Confirming Party had applied to the Government for the grant of a lease for a period of not less than Sixty years and not more than Ninety-nine years in the first instance, subject to RENEWAL on expiry of the said period, for the extraction of Forest Produce such as bamboos, soft wood, fibrous materials etc. available in the areas mentioned in Schedule A hereof and suitable as raw material for the manufacture of the aforesaid rayon-grade pulp and paper, at the Company's Factory. For this, the Government hereby agree to grant to the Company the Lease. This Agreement WITNESSETH the Terms and Conditions upon which the Lease has been granted to the Company, and that the said Terms and Conditions are HEREBY MUTUALLY AGREED by and between the Parties hereto, that is to say:

2.....

1. The Company shall deposit with the Divisional Forest Officer, of the concerned Division of Kanara District (hereinafter called "Divisional Forest Officer") a sum of Rs.10,000/- (Rupees ten thousand) as Deposit for regular payment of the dues by the Company to the Government under these presents.

2. The Company shall observe, as far as practicable, the provisions of Section 76, Clause (d) of the Indian Forest Act, 1927 hereinafter called "the said Act" in respect of any further contract or arrangement if entered into in this behalf with the Divisional Forest Officer acting on behalf of the Government if so required by such Divisional Forest Officer.

I. Period of Lease:

3. The Government hereby grants to the Company a LEASE for the period of Sixty years from the date of execution of this Agreement, with a proviso that this Agreement shall be subject to RENEWAL on the expiry of the said period of Sixty years, for the extraction of bamboos, soft wood and any other forest produce material from the forest areas specified in Schedule A hereof, for being used only for the manufacture of Rayon-grade Pulp and Paper at the Company's Factory, on condition that the Company shall produce a certificate of the Foreign Technical Collaborators to the satisfaction of the Chief Conservator of Forests, State of Mysore, (hereinafter called the Chief Conservator) that the said raw materials are suitable for the manufacture of Rayon-Grade Pulp and Paper.

II. Royalty to Government.

4. The Company shall pay to the Government IN CONSIDERATION of the LEASE under these presents, a Royalty at the rate of Rs.3.1 (Rupees three naya Paise twelve) per ton of Rayon-grade pulp produced from indigenous raw material obtained from the areas mentioned in Schedule A hereof at the Company's Factory. The Royalty shall be charged at the first weighment stage, for the first five years, with effect from the date of commencement of manufacturing operations, SUBJECT to a minimum of Rs.36,000 (Rupees thirty-six thousand) per annum and from the beginning of the Sixth financial year of the Company following immediately

the fifth year of the manufacturing operations, the aforesaid rate of Royalty, namely Rs.3.12 shall be subject to revision on the basis of the financial results of the Company then obtaining and if any enhancement was found fair and reasonable, the Government may enhance the aforesaid rate of Rs.3.12 per ton by shch amount of percentage as may be considered by mutual consent fair and reasonable but such enahancement shall not in any case exceed twenty five percent of the aforesaid Royalty rate of Rs.3.12 per ton throughout the period of this Lease.

PROVIDED always that there shall be no case for any enhancement of the aforesaid rate of Royalty, if the Company had not paid during the preceding five years of any such proposed revision, a dividend on its Equity Capital in excess of nine percent.

PROVIDED also that the Government shall sympathetically consider a revision of the aforesaid rate of Royalty if the Company is not making a profit enabling declarations of a dividend on its Equity Capital and grant a reasonable relief until such time as the Company is able to pay a dividend, when the rate of Rs.3.12 shall be enforceable or reinforceable (as the case may be).

PROVIDED further that in the first year of the manufacturing operations of the Company, the minimum of Rupees thirty-six thousand shall be proporticnate to the period the Factory has actually worked during that financial year of the Company.

PROVIDED further that in any year, if the manufacturing operations are suspended for a period of not less than twentyfour days (exclusive of factory holidays and normal cleaning days), the minimum of Rupees thirtysix thousand payable shall be proportionate to the period the Factory has actually worked during that financial year of the Company.

III. Operations in Leased Area.

5.(a) The Government shall cause by its concerned Departments, Officers and Employees to PERMIT the Company to extract, cut, remove and carry from the areas enumerated in Schedule A hereof, and hereby leased to the Company, all such quantities of bamboos, softwood, fibrous materials and any other forest produce required

(b) The Company shall work these areas strictly in accordance with the Programme of the Working Plan drawn for exploiting the necessary Raw Material required for feeding the Company's Factory.

(c) The prescriptions of the plans shall be subject to such variation(s) as the Company may consider essential for the proper exploitation of the Forest produce under this Lease in consultation with the Forest Authorities concerned.

(d) The extraction under this Lease shall not be worked in a way prejudicially effecting the privileges at present enjoyed by the existing local inhabitants under the Forest Privileges Code.

(e) The Company may, if permitted by the Chief Conservator, introduce new or exotic varieties of bamboos, soft wood and other agricultural fibrous plants in the leased areas provided that the main timber crop in the said areas is not adversely effected to any significant extent.

IV. Main Water Supply:

6. (a) The Company shall be entitled to draw and use water of the Bedti River required for its manufacturing operations and for other uses of the Company's Factory, including housing of Company's employees and all other purposes connected therewith.

(b) The Government does not guarantee any specific quantity of water NOR shall the Government be responsible for the non-supply or inadequate supply of water.

(c) The water drawn by the Company from the said River Bedti shallx be used only for the Company's said purposes, and shall not be sold to any persons, firm or Company, Corporation or other body, and in case of any such sale, the Government, without prejudice to its right to suspend the licence to draw the River water, shall be entitled to recover from the Company, the proceeds of such sale.

(d) Subject to the provisions of Sub-Clauses (b) and (c) of the preceding Clause, any quantity of water available after meeting the aforesaid requirements of the Company, which requirements shall be about TEN million gallons of water per day based on the existing capacity of the Factory to produce one hundred tons of Rayon-grade pulp and paper subject to any such further quantity of water as may be required on the expansion of the capacity of the

Company's Factory, shall be made available to the Government for disposal at its absolute ~~xx~~ discretion for agricultural, industrial or any other purposes or uses.

(e) The River Bedti not being a perennial river, the Government hereby authorises the Company to construct at the Company's cost, its own Dam or Dams, Reservoir or Storage, or make any other storage arrangements so as to ensure itself of an uninterrupted, continuous and adequate supply of water. In consideration whereof, the Government hereby waives payment by the Company of any water cess, water tax or any other tax, cess or impost relevant to or in connection with the supply of water, until such time as the Company is able to pay a dividend of not less than nine percent on its Equity Capital, OR until the entire Capital outlay of the construction of such Dam, Reservoir or Storage including the cost of all the tanks, pumping stations, engines, pipe lines and all other equipments, accessories, etc., inclusive of any additions installed in connection thereof together with the interest at Nine percent on the total capital outlay has been fully written off, as Depreciation, at the rate of Two percent per annum, WHICHEVER be the EARLIER.

(f) The licence to be granted under Sub-clause (a) of this clause, shall not in any manner prejudicially affect the existing water rights vested in the upstream riparian owners; nor shall it, in any way, prejudice the Government's right to launch or implement any new scheme or schemes of its own in public interest ~~xxxx~~ hereafter at, on or in connection with the present source or channel or water supply available to the Company, subject, however, to the safeguarding of the Company's reasonable demand in respect of the quantum of water hereby secured in accordance with sub-clause (d) and (e) above.

(g) The Company shall give sufficient intimation to the concerned local Officers of Government before it undertakes blasting operations in the river bed and shall take all precautions and give sufficient notice to the public so that public safety is not, in any manner, endangered.

(h) The Company shall, after submitting to the Government

the proposed plans, drawings, specifications, and other details and after obtaining the approval of the Government thereto, establish pumping stations on the banks of River Bedti in strict accordance with the proposed plans, drawings, specifications and other details approved by the Government.

V. Electric Power Supply:

2. The Company shall have the option to take electrict power from Jog Karnatak Electric Grid to the extent available, in which case, the Government shall arrange with the Electricity Authority concerned, for supply of the same at reasonable rates applicable to bulk supply. In the event of adequate quantity and/or uninterrupted supply of electrical energy not being made available, the Government hereby authorises the Company to instal the necessary power plant and generate electricity for its own consumption and use in the Company's manufacturing operations, factory lighting and electricity required for residential quarters and workmen's colony and all other purposes in connection with the operations of the Company, use of its workmen, staff, officers, and no one else and for no other purpose.

SUBJECT ALWAYS to the condition that once the Company installs its own electric power house, electric generating station or sub-station, for meeting even part of the requirements of the Company's Factory and other purposes aforesaid, the Government hereby undertakes NOT ~~XXXX~~ to require the Company at any time to stop or suspend or discontinue the said electric/ generating operations UNLESS the Government arranges for the continuous and uninterrupted supply of the entire quantity of electric power required for the aforesaid purposes AND pays to the Company adequate compensation based on equitable and reasonable valuation not being less than the Cost paid by the Company less depreciation, at five percent per annum for the number of years the electric plant has been in operation and two and a half percent depreciation on buildings for the period the buildings have been in existance, irrespective of the amount of depreciation actually written off or

287

at which the value of the same may stand in the Financial Books of the Company.

VI. Discharge of Effluents.

8. The Company shall be at liberty to discharge the trade effluent from its factory into the River Bedti, provided however, that if the Deputy Commissioner of Kanara finds that t arrangement of such discharge is suitable, he may direct the Company to extend the pipe line and the Company will extend the pipe line as directed by him. If the discharge of trade effluent (which is not subjected to treatment) proves a source of nuisance to the users of the tidal river, the Company shall treat it suitably to the satisfaction of the Director of Public Health of the Government in the light of experience gained after the Company has started working.

VII. Construction of Works.

9. The Company shall be permitted to lay underground and surface pipes, drains and electric cables, (underground or otherwise), over head transmission lines, power houses and sub-stations, railway sidings, light railways, aerial ropeways, telephone lines, etc. for the purpose of carrying on its manufacture of pulp, paper and rayon and trade operations through the aforesaid specified area the Government land and Government roads subject to terms and conditions and restrictions prescribed by Government for such purposes.

VIII. Lease of Land for Factory Workmen's Colony.

10.(a). The Government hereby undertakes to lease out to the Company six hundred acres of land for the factory site and housing colony of the Company's employees and for purposes connected ~~wi~~ therewith at a reasonable ground rent ~~Gi~~ on payment of perpetual occupancy price and annual assessment and for such period or periods (not being shorter than the period of this Lease or renewals thereof), and on such terms and conditions

including conditions providing for restrictions on alienation as may be prescribed by the Government. Save for such trees as may be reserved for shade or other purposes, the whole area of six hundred acres shall be cleared (free of charge to the Company), by the Forest Department, Government of Mysore, of tree growth within a reasonable time after selection of the site is intimated by the Company to the Forest Department. The clearance of plots for the Factory site and the Housing Colony shall, however, be cleared within three months of the receipt of intimation from the Company of the site selected.

(b) During the currency of this Lease, the Company shall at its own cost, keep the land clear of the coppice stools, lantana, brush wood and other growth.

(c) The Company shall keep a strip of fifty feet width on the road side and on the side abutting nallah and one hundred feet in width on other side where the boundary adjoins reserved forests. This strip shall be kept clear of any inflamable material throughout the period of the Lease so as to prevent fire from spreading into the adjoining forests.

(d) The Company shall be at liberty to grow vegetables or crops on the said strip but shall not erect any permanent structure or permanently store any material thereon.

(e) The boundary and other marks shall be kept in proper repair throughout the period of the lease.

IX. Right of Way.

11. The Company's cars or motor vehicles, lorries, carts and other transport vehicles shall be allowed to ply on all forest roads and bridges in the forest area for transport of material free of toll, subject to periodical closures for repairs etc. and other normal traffic

D.....

289

restrictions which the Divisional Forest Officer may from time to time prescribe to keep the road free from damage provided that such restriction or temporary closure shall be for all users of the roads and not just to affect only the Company's vehicles but also to all similar vehicles to whomsoever they belong, other than the vehicles belonging to the Government or any Public Authority. Reciprocally, all roads constructed by the Company, except those running in the leased land shall be open for traffic of the vehicles of the Government and other Public Authority free of toll.

12. The Company shall subject to reasonable restrictions by the Government have the licence and authority to ply its own ferry across the rivers in forest areas for the benefit of its employees for the transport of its goods and for such purposes shall have access to the ferry terminal. The Company shall have the right to construct its own road and causeway, including light railway, across the river Bedti at the sites to be approved by the Chief Conservator of Forests for transport of bamboos and other raw materials before the Company goes into production and until then the Company shall be permitted to use the forest road and its causeway.

X. Supply of Timber by Government.

13. The Government shall, as far asavailable, supply to the Company timber required for the construction of the Company's works, at scheduled rates, and in the absence of such scheduled rates, at such other tates as the District Forest Officer may fix.

XI. Quarry Rights.

14. The Company shall be permitted to quarry stones and earth for its factory and buildings, residential quarters and workmen's quarters or road construction purposes or to quarry earth for bricks or tiles for its factory or building or any of the aforesaid purposes at current rental from fix-

agreed to by the Divisional Forest Officer.

XII. Location and Construction of Factory.

15. The grant of the aforesaid lease to the Company shall be further subject to the following conditions:-

(i) The Factory shall be located at a suitable place, as near as possible to a railway station and Bedti River in Kanara District, to be selected by the Company in consultation with the Chief Conservator of Forests.

(ii) The Company shall place orders for purchase of the machinery for its factory within a period not exceeding five months from the date of receipt of Import Licence.

(iii) The Company shall cause the construction of the factory and the installation of the machinery thereat, to be completed, and production to be started within a period not exceeding nine months from the date of receipt of the last instalment of the machinery at the factory site.

(iv) The Company shall purchase the machinery ~~xyx~~ capable of producing one hundred tons of Rayon-grade pulp and paper per day in the first instance, and to expand it as and when the Company may feel feasible at Company's discretion on merit of its financial position.

(v) That the Company shall procure the requisite machinery from the areas permitted by the Import Licence.

(vi) That the Company shall allot at least five percent of its total production of rayon-grade pulp to the Cottage Industry, if so required by the Government at the rates fixed by the Government with the concurrence of the Company.

(vii) The Company shall not, knowingly and wilfully, employ any labour engaged in the Government Saw Mill or working for the Forest Department.

XIII. Amenities to Workmen.

16. (a) The Company shall provide suitable housing accommodation and medical attendance and recreation facilities and all other necessary amenities, to all its employees.

(b) The Company shall make proper arrangement to provide clean drinking water to all its employees.

(c) The Company shall pay fair living wages to its employees at the scales not less than those prescribed by any legislation applicable to the Company's Industry for the time being and from time to time in force.

XIV. Due Dates for Payment of Royalty.

17. (a) The amount of royalty, rent or any other amount due under these presents, shall be paid to the Divisional Forest Officer on behalf of the Government. If and whenever any part of the royalty, rent or any other amount agreed to be due by the Company under this Agreement is in arrears for longer than thirty days, the Company shall be liable to pay interest at six and a quarter percent per annum from the due date (i.e. thirty days grace) to the date of payment and all sums due, shall be recoverable from the Company in accordance with Section 83 of the said Act or as an arrear of land Revenue in accordance with the Section 32 of and 85 of the said Act or in both ways. If the said royalty or rent due under this Agreement shall be in arrears for more than thirty days, whether the same shall be legally demanded or not or if any other amount due under this agreement, shall be in arrears for the space of more than thirty days after it shall have been legally demanded OR whenever there is a breach by the Company of any of the covenants or conditions which shall not have been rectified within a reasonable time (as to which Government will be the sole judge) of their having been officially brought to the Company's notice, the Government will be at liberty to suspend the operation of this Agreement or to forfeit the whole or any part of the deposit as it may in its absolute discretion think fit.

(b) The Company shall within thirty days from the end of every three months commencing from the date of production pay in the office of the Divisional Forest Officer or as may be otherwise required by him the full amount of royalty at the rates herein before mentioned, on the production made during the preceding quarter subject to final adjustment, if any, at the end of each financial year of the Company.

294

XV. Felling Operations of Bamboos, Soft Wood etc.

18.(a) Before commencing felling operations in the exploitation area in any year, the Company shall send a representative with the Divisional Forest Officer, to inspect the boundaries of the area as demarcated on the ground by the special or other marks and shall give such officer a written certificate that it is satisfied with such marks and further shall sign the plan of the area under exploitation in acknowledgment that it delineates correctly the exploitation area as demarcated upon the ground.

(b) The Company shall submit from time to time to the Divisional Forest Officer the name, age and address of every person whom it may propose to employ in superintending its operation of the bamboos etc. in the forest area and shall supply such person with a certificate of introduction for identification purposes.

(c) The Company shall when called upon to do so by any authorised District Forest Officer take charge of and keep safely the book called "the Contractor's book", which it shall produce immediately on demand by such District Forest Officer and shall return the same to such District Forest Officer on expiry of the operations in the Forest each year. Any notice written by the authorised District Forest Officer in this book, shall be considered as a notice issued in conformity with this agreement without prejudice to the Company's right of representation, and if necessary, preferring an appeal to higher Authorities.

(d) The Company shall not allow any bamboo to fall on roads. If during felling operations any bamboo falls on road side, the Company shall remove such bamboo immediately so as not to cause obstruction on the road in any way.

(e) The Company shall take precautions, toavoid damage or obstruction to the telegraph wire or posts during the currency of the contract.

(f) Non-compliance with any of the aforesaid conditions in this agreement in respect of each and every particular tree and stool, shall be deemed to be a distinct and separate breach for the the purpose of the penalty clause.

XVI. Restrictions on Company's Servants etc.

19. The Company, its servants and agents shall abstain from

292/

the following acts, that is to say -

(a) from sub-letting this Lease or any portion thereof to any person whatsoever without the previous permission, in writing, of the Government.

(b) from continuing any operations in the allotted area after expiry or suspension of agreement;

(c) from removing any bamboo from the depot fixed or pointed out by the District Forest Officer. (i) otherwise than under cover of a pass in accordance with the Mysore Forest Rules in force under section 41 of the said Act, issued by some person duly authorised under the said Rules to sign and issue such pass, and with all the (information required by the said Rules duly entered therein) or (ii) by any route or routes other than that or those approved by the District Forest Officer. This condition shall not apply to articles which the Company is permitted to manufacture under the terms of this Agreement, in transit from the Factory area to the nearest Railway Station or sea port.

(d) from cutting or removing any tree from the factory site or the said depot ~~without~~ without payment.

(e) from stacking or keeping any material at any place within the limits of the Forests other than the authorised depots or for purpose other than interim -stacking, pending removal or transport of such material to authorised depots or to the Company's Factory subsequently.

XVII. Further Conditions:

20. The Company agrees to perform the following conditions that is to say:

(a) The Company shall defray all expenses which may be incurred in felling, converting and removing the bamboos to which this Agreement applies including any compensation payable under the Workmen's Compensation Act 1923 (VIII of 1923) to workmen employed by the Company.

(b) In the even of the whole or any portion of this lease being sublet with the written permission of the Government, the Company shall be responsible for the acts and omissions of the sub-contractors and their servants as if they were the servants

of the Company SUBJECT to such terms of sub-letting as may be approved by the Government rendering such sub-contractors directly responsible for the said acts of omission and commission.

(c) The Company shall pay, forthwith on demand, to the Government the amount of damages which the District Forest Officer, may by order in writing, make on account of any injury caused to any forest produce belonging to Government within the area working by illicit cuttings by fire (other than accidental fire) or by Company's cattle grazing, if such cutting or fire is traceable to any act or ommission of the Company, or its servants, or if such cattle belong to or have been allowed to graze by the Company, or its servants.

(d) The Company shall reimburse all such expenses as the Divisional Forest Officer may determine to be necessary for, or to have been incurred in the execution of any work or thing to be done, which by the conditions herein before contained, it has bound itself to perform or do, any of which, on requisition made by the Divisional Forest Officer, it has failed or omitted within the time specified in such requisition to perform or do.

21. Bamboo pulp removed from the factory and bamboos removed from the depot otherwise than in accordance with the conditions hereinbefore contained, shall be liable to seizure by any Forest Officer not lower in rank than the sub-Divisional Forest Officer or Police Officer not lower in rank than the Deputy Superintendent of Police or on the written orders of either of the said Officers. And, the said material, after the Company has been offered an opportunity to satisfactorily "show cause" and clear its position in regard thereto, shall be liable to be forfeited to Government.

22. (a) Bamboos remaining in the Depot aforesaid or anywhere within the limits of the forest, after the expiry or suspension of this Agreement, shall be property of Government and may be removed from the said forest by the Divisional Forest Officer, without prejudice to claim of the Company for payment of compensation or value of the same.

(b) The Company shall be liable to Government for the amount of all damage which at any time previous to the date of expiry or suspension of this Agreement or such earlier date as the Divisional Fo

Officer, may, by order in writing, fix in this behalf, may have been caused to any forest produce belong to Government within the area under exploitation by illicit cuttings, by fire or by cattle grazing, if such cutting or fire is traceable to any act of omission of the Company, its servants or agents, and if such cattle belong to or have been allowed to graze by the Company or its servants without prejudice to the Company's right of appeal. Failure to pay the said amount of damage as assessed by the Divisional Forest Officer shall make the Company liable to pay to Government a penalty of an amount upto Rs.1,000 (one thousand) and the amount of damage along with such penalt shall be recoverable from the Company under Section 85 of the said Act as if it were an arrear of land revenue without prejudice in any case, to the Company's right of appeal.

(c) The Company shall reimburse all such expenses as the Divisiona Forest Officer may determine to be necessary for, or to have been incurred in the execution of any work or thing to be done, which by the conditions hereinbefore contained it has bound itself to perform or do and which on requisition made by the Divisional Forest Officer, it has failed or omitted within the time specified in such requisition to perform or do. Failure to reimburse the said expenses on demand by th Divisional Forest Officer shall make the Company liable to pay to the Government a penalty of an amount upto Rs.1,000/- (one thousand) and the amount of such expenses along with such penalty shall be recoverab from the Company under Section 85 of the said act as if it were an arrear of land revenue, without prejudice in any case, to the Company' right of appeal.

23. If, in the opinion of the Divisional Forest Officer, the Company or any of its servants has or have broken, evaded or failed to fulfil any of the conditions hereinbefore contained or infringed any provisio of the forest law or rules for the time being in force, it shall be lawful for the said Divisional Forest Officer by a notice, in writing, to be served upon the Company to appropriate the Company's deposit or any part thereof (whether it may be in the form of Government promissory notes or postal cash certificates or currency notes or cash or out of any other money of the Company in the possession of any

payable by the Company to the Government whether by way of penalty damages or otherwise.

PROVIDED always that nothing in this clause shall affect the liability of the Company, or any of its servants to criminal prosecution for any offence committed by it or them against the laws or rules for the time being in force.

PROVIDED also that before any action is taken by the Divisional Forest Officer under this Clause, he shall give the Company a reasonable opportunity to "show cause" and clear its position in regard thereto.

24. AND IN CONSIDERATION OF THE PREMISES the Government doth hereby agree with the Company that if it shall well and duly perform the Agreement, it shall enjoy for and within the period and subject to the restrictions and conditions hereinbefore stipulated, the privileges of extracting and receiving Forest Produce such as bamboos, soft wood, fibrous materials etc., free water supply, electric power supply at bulk supply rates and all other facilities from the Government and its Departments' Officers, for the purpose of manufacture permitted under this Agreement.

AND it is further hereby AGREED by and between the Parties hereto that in this Agreement:-

(i) the terms "Divisional Forest Officer " shall be deemed to mean the Divisional Forest Officer or any District Forest Officer authorised by him in writing to act in the matter of the Clause in which the said term is employed.

(ii)the term "Chief Conservator of Forests" shall be deemed to mean the officer holding the said post for the time being.

25. AND it is hereby expressly agreed and declared that in consideration of the Lease hereby gran ed to it, the Company hereby doth bind itself faithfully to perform every duty and act expressed in the terms, conditions and covenants hereinbefore contained as to be performed by the Company and doth hereby further covenant with the Government that the Company, and its servants shall abstain from every act expressed in the terms, conditions as to be abstained from and doth hereby agree, in case of any breach of any of the said

terms, conditions and covenants hereinbefore contained to pay (without prejudice to the Company's right of appeal to the Authorities concerned) to the Government through the Divisional Forest Officer on demand made in that behalf by him the sum of one hundred rupees for each such breach and that the said sum of one hundred rupees will, in accordance with Section 85 of the said Act, be recoverable from the Company as an arrear of Land Revenue without prejudice to any other remedy which the Government may have against the Company under this Agreement in respect of the said breach.

26. (a). This Agreement and for that matter, this Lease shall NOT be revocable nor shall the area herein agreed and covenanted to be leased, shall be reduced or otherwise leased to any other party or encumbered or committed to any other party in a way directly or indirectly prejudicial to the rights or interests of the Company In the event of any breach of any of the material conditions or covenants hereof, the Government may suspend the operation of such part or parts of this Lease as may have been affected as a result of such breach until such breach or breaches shall have been remedied by the Company to the satisfaction of the Government.

(b). The Government hereby undertakes that any of its arrangements, improvements, encouragement or cultivation of any of its Forest Potential of Timber or any other forest produce shall be so arranged, improved, encouraged or cultivated as not to be in any way (directly or indirectly) to be deleterious or detrimental to the continuous and uninterrupted supply of adequate quantity of bamboos, softwood, fibrous material or any other forest produce even in the long run, required by the Company's Factory from time to time.

27. This Agreement ~~will~~ shall be RENEWED after the expiry of the covenanted period of sixty years.

28. In the unfortunate event of any DISPUTE arising between the parties hereto, out of or in connection with interpretation or performance of any of the obligations undertaken or any of the privilges enjoyable under this Agreement, the matter shall be

preferred to ARBITRATION within the provisions of the Arbitration Act.

SCHEDULE A.

1. The forest areas of the whole of North Kanara District excluding only those areas for which concessions have already been expressly granted, in writing, to the West Coast Paper & Pulp Mills, Dandeli, viz., Dandeli, Kulgi, Virnoli and Sambrani Ranges.

2. All the forest areas of the entire Kalghatgi Range of Dharwar District.

3. All the forest areas of the entire Nagargali Range of Belgaum District.

IN WITNESS WHEREOF the Governor of Mysore hath caused the Chief Conservator of Forests, Mysore State, to set his hand and affix his official seal hereto on his behalf and the Confirming Party has set his hand, and the Common Seal of GREATER MYSORE RAYON-GRADE PULP & PAPER MILLS LTD. in pursuance to a Special Resolution passed at an Extra-Ordinary General Meeting of the Members of the Company held on 30th December 1959, has been affixed hereto the day and year above written.

SIGNED, SEALED AND DELIVERED BY:

Shri . . . . . .
Chief Conservator of Forests, Mysore Stat

In the presence of.

1.

2.

Signed by in the presence of

Confirming Party.

1.

2.

SIGNED, SEALED AND DELIVERED BY:

The Common Seal of Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd., has been affixed hereto, pursuant to a Special Resolution of Members of the Company.

Dated. . . . . In the presence of

1. 2.

10 Copies

Proceedings of the meeting held in the chambers of the Secretary to Government, Agriculture & Forest, on Saturday the 4th February 1961 at 11 a.m.

---

1. Secretary to Govt. A & F Dept.
2. Secretary to Govt. C & I Dept.
3. Deputy Secretary to Govt. Rev. Dept.
4. Deputy Secretary to Govt. P.W. Dept.
5. Deputy Secretary to Govt. A&F. Dept.
6. Under Secretary to Govt. L.S.G.Dept.
7. Chief ~~Conservator~~ of Forests.

The agreement to be entered into between the Govt. on the one hand and the Greater Mysore Rayon Grade Pulp & Paper Mills, Ltd. was discussed in detail with particular reference to the following ~~subjects~~ points:

1. Water & Power Supply: The important ~~wat~~ source of water supply to this industry and for the colony is from the river ~~BIDETI~~ BEDTHI. This ~~river~~ is not perennial and there will not be much water during summer months. For ensuring an uninterrupted, continuous and adequate supply of water, there is a great necessity for the construction of a dam to store water.

2. During ~~the~~ discussions it was also brought to the notice of the members by the D.S. PWD. that there is every likelihood of the site where the factory is proposed to be built as well as part of ~~the~~ area from which the raw materials are ~~is~~ drawn ~~in~~ being submerged as the PWD have plans to put up a Power Project on Bedthi river. It was also explained that the Project report is ready even though it is not known when exactly the construction is likely to be taken up

3. The PWD is of the view that the dam proposed to be constructed by the promoters should be done under the supervision of the P.W.D. authorities who should also be allowed to attend to its maintenance. Otherwise, the PWD will put up a dam and the water will be sold at the scheduled rates.

at the cost of the Co.

4 The question of supply of power from Bhadra Project is to be examined further in view of the previous commitments to other industrial concerns. The promoters may be advised to switch on to therma plants or generators fed on diesel oil. It is presumed that the Bhadra Project is likely to come up only in 1962. The alternative for power supply in the circumstances is from the Saravati which is expected to ~~come~~ go into commission by the end of 1962.

5 . The question of supply and the rate of power will have to be taken up with the Mysore Electricit Board by the promoters. There are seperate schedules for supply of Power and the promoters will have to enter into separate agreements with the MSEB. The present agreement need not include this point.

6 Supply of raw materials: This factory requires 1,32,000 tons ~~of~~ of Bamboo as raw material per annum. C.C.F. ~~was~~ is of the view that no guarantee regarding the supply of raw materials could be given. The whole forest area in Kanara excluding ~~that~~ areas already allotted to the West Coast Paper Mills may be allotted to this factory. Keeping 20000 tons of Bamboo for the normal public demand - ~~and 20000 acres of forest should be reserved for the use of this factory.~~ This the CCF considers sufficient for an initial production of 100-115 tons. The Secy. C & I. agreed with the CCF

7 Royalty: The CCF is of the view that there should be concession in this behalf during the first 5 years and he suggested that raise in royalty rates after 5 yrs ~~Rs. 4/- and not~~ should not be less than Rs. 6/- in subsequent years. It is also necessary to mention that the royalty will be on the basis of raw material drawn and not on the basis of manufactured product.

(Rs.2/- a ton for air dry bamboo may be levied.)

8 Blasting operations & discharge of trade effluents:

There is no objection from the L.S.G. Dept. The U.S. said that ~~and~~ the agreement is in order. It was also brought to the notice of the Committee that there is going to be a central legislation on the subject and the provisions in the agreement ~~should be~~ are in conformity with ~~those provisions~~ the legislation. Pending legislation the co will abide by such instrs as may be issued by the DFH and

10 The company should be asked to sink wells ~~of~~ along

See that co. makes arrangements to put up a recovery plant to clear trade effluents before they are discharged -

the ~~bund~~ borders of the river as an alternative source of water, for cattle and men of nearby villages.

4 Grant of land: An extent of 600 acres may be earmarked and the land released whenever it is required by the company on a 30 year lease basis ~~for 30 years~~. ~~which is renewable from time to time~~ with an option for renewal after the expiry of the 30 year period. The reasonable rent to be fixed ~~would be~~ shall not be less than Rs.80/- an acre per annum as has been done in the case of the West Coast Paper Mills, Ltd.

12 The CCF has ~~suggested~~ stated that he has ~~planted~~ taken up plantations of Eucalyptus, Kydia and similar soft woods to provide an alternate source of raw material and the plantations are likely to become ready for maturity in a period of 5-6 years alternative ~~plants~~ in addition to bamboo as raw material to this factory, eucalyptus and other soft wood on a war footing which they are expected to be used within a course of 5 years.

In the light of these, it was decided that the agreement needs to be revised. The CCF will be requested to send up a revised agreement

4/2.

Secy. to Govt.
A & F Dept.

4-2-1961.

D/S. 4/2.

391

PROCEEDINGS OF THE MEETING HELD IN THE CHAMBER OF THE SECRETARY TO GOVERNMENT, AGRICULTURE AND FOREST DEPARTMENT ON SATURDAY THE 4TH FEBRUARY 1961 at 11 A.M.

1. Secretary to Government, Agriculture and Forest Department.
2. Secretary to Government, Commerce & Industries Department.
3. Deputy Secretary to Government, Revenue Department.
4. Deputy Secretary to Government, Public Works Department
5. Deputy Secretary to Government, Agriculture and Forest Department.
6. Under Secretary to Government, Local Self Government Department,
7. Chief Conservator of Forests in Mysore, Bangalore.

The agreement to be entered into between the Government on the one hand and the Greater Mysore Rayon Grade Pulp and Paper Mills, Ltd., was discussed in detail with particular reference to the following points:—

1. WATER AND POWER SUPPLY: The important source of water supply to this industry and for the colony is from river BEDTHI. This is not perennial and there will not be much water during summer months. For ensuring an uninterrupted, continuous and adequate supply of water, there is a great necessity for the construction of a dam to store water.

2. During discussions it was also brought to the notice of the members by the Deputy Secretary, Public Works Department that there is every likelihood of the site where the factory is proposed to be built as well as part of area from which the raw materials are drawn being submerged as the Public Works Department have plans to put up a Power Project on Bedthi river. It was also explained that the Project report is ready even though it is not known when exactly the construction is likely to be taken up.

3. The Public Works Department is of the view that the dam proposed to be constructed by the promoters should be done under the supervision of the Public Works Department authorities who should also be allowed to attend to its maintenance. Otherwise, the Public Works Department will put up a dam at the cost of the company and the water will be sold at the scheduled rates.

4. The question of supply of power from Bhadra Project is to be examined further in view of the previous commitments to other industrial concerns. The promoters may be advised to switch on to thermal plants or generators fed on diesel oil. It is presumed that the Bhadra Project is likely to come up only in 1968. The alternative for power supply in the circumstances is from the Sharavati which is expected to go into Commission by the end of 1962.

5. The question of supply and the rate of power will have to be taken up with the Mysore Electricity Board by the promoters. There are separate schedules for supply of power and the promoters will have to enter into separate agreement with the Mysore State Electricity Board. The present agreement need not include this point.

6. SUPPLY OF RAW MATERIALS: This factory requires 1,32,000 tons of Bamboos as raw material per annum. Chief Conservator of Forests is of the view that no guarantee regarding the supply of raw materials could be given. The whole forest area in Kanara excluding areas already allotted to the West Coast Paper Mills may be allotted to this factory keeping 20,000 tons of Bamboo for the normal public demand. This, the Chief Conservator of Forests considers sufficient for an initial production of 100-115 tons. The Secretary, Commerce and Industries agreed with the Chief Conservator of Forests.

7. ROYALTY: The Chief Conservator of Forests is of the view that there should be concession in this behalf during the first five years (Rs.2/- a ton for air dry bamboo may be levied) and xx he suggested that rise in royalty rates after 5 years should not be less than Rs.5/- in subsequent years. It is also necessary to mention that the royalty will be on the basis of raw material drawn and not on the basis of manufactured product.

2.....

303

8. BLASTING OPERATIONS AND DISCHARGE OF TRADE EFFLUENTS:

There is no objection from the Local Self Government Department. The Under Secretary said that the agreement is in order. It was also brought to the notice of the Committee that there is going to be a central legislation on the subject and the provisions in the agreement are in conformity with the proposed legislation. Pending legislation the company will abide by such instructions as may be issued by the Director of Public Health and see that the company makes arrangements to put up a recovery plant to clear trade effluents before they are discharged.

9. The company should be asked to sink wells along the borders of the river as an alternative source of water supplies for cattle and men of nearby villages.

10. GRANT OF LAND: An extent of 600 acres may be earmarked and the land released whenever it is required by the company on 30 year lease basis with an option for renewal after the expiry of the 30 year period. The reasonable rent to be fixed should not be less than Rs.30/- an acre per annum as has been done in the case of the West Coast Paper Mills, Ltd.

11. The Chief Conservator of Forests has stated that he has taken up plantations of Eucalyptus, Kydia and similar softwoods to provide an alternative source of raw material and the plantations are likely to come to maturity in a period of 5-6 years.

In the light of these, it was decided that the agreement needs to be revised. The Chief Conservator of Forests will be requested to send up a revised agreement.

Sd/-
(T.V.Reddi)
Secretary to Government,
Agriculture & Forest Department.

'Copy'

(S.V. Prabhu)
Under Secretary to Government,
Agriculture and Forest Department.

304

egram: "RAYONPULP" Telephone: OFFICE: 71301 RESIDENCE: 70110

Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd.

V. Visvanathan,
MANAGING DIRECTOR

Registered Office
6-E, BRIGADE ROAD,
BANGALORE-1.

MYSORE GOVERNMENT SECRETARIAT NO. 5022 2 JUN 1961 VERY URGENT

Ref. ..... Date 29th May 1961.

The Hon'ble Minister for Forest, ~~& Transport~~,
Government of Mysore,
"Vidhana Soudha"
Bangalore - 1.

AGRICULTURE & FOREST DEPARTMENT No. 1 APPAL SECTION Date 31.5.61 M.G.S.W.

Dear Sir,

Finalisation of Agreement.

We beg to invite kind reference to our letter of 4th January 1961 and request you kindly to issue orders for the immediate finalisation and execution of the Agreement. Your goodselves are already aware that the Foundation Stone of the Mill was laid on 30th April 1961 by by Hon'ble Sri Manubhai Shah, Union Minister for Industry. We expect to issue the Prospectus in the next fortnight. It is absolutely necessary that long before that the Agreement, of which, the Draft was submitted as early as one year and a half ago with our letter dated 5th January 1960 to the Forest Secretary should be executed. We have since had detailed discussion on several occasions and most of the points have also been settled. We therefore request that the Agreement may kindly be finalised and executed without further delay.

In the meantime, we request that orders may kindly be issued to immediately hand over to us the necessary area of forest land namely five hundred and ninety-four (594) acres - six acres having already been delivered to us, pending execution of the agreement so that we may proceed with the clearance of the area for construction of Mill buildings etc.

Thanking you for an immediate action.

Yours faithfully,
for GREATER MYSORE RAYON-GRADE PULP & PAPER MILLS LTD

S. V. Vis

(S.V. VISWANATHAN)
Managing Director

Copy to: 1) The Secretary to the Govt. of Mysore, Agriculture & Forest Dept., Bangalore - 1. for favour of immediate action.

2) The Secretary to the Govt. of Mysore, Commerce & Industries Department, Govt. of Mysore, Bangalore - 1. for information.

gp/

This Agreement entered into this Thursday, twenty-first day of July One thousand nine hundred and sixty in Bangalore, Mysore State, India

BETWEEN:

Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd., incorporated under the Indian Companies Act I of 1956 with an Authorised Capital of Rupees Ten Crores (£.Sterling 7,500,000) having its Registered Office at 6.E, Brigade Road, Bangalore.1, Mysore State, India, (hereinafter referred to as "The BUYER") represented by its Founder and Managing Director, Sri S.V.Visvanathan

AND:

ETUDES ET MATERIELS POUR L'INDUSTRIE DU PAPIER ET DE LA CELLULOSE EMPACEL", a French Joint Stock Company, having its Head Office at 13, rue La Fayette, Paris (France) and represented by and through Mr. FRANCOIS POLACK, Chairman and General Manager of EMPACEL under the terms of procuration affixed to the present Agreement (hereinafter referred to as "EMPACEL") as follows::

ARTICLE I - GENERAL.

(1) The present Agreement concerns the supply of all the machineries, equipments and implements for a Rayon grade (Dissolving) Pulp Plant, (hereinafter referred to as the "Mill") operating on sulphate process of cooking and using bamboo, with a daily production capacity of 110 (one hundred and ten) metric tons of Rayon grade (Dissolving) Pulp.

EMPACEL hereby note that the BUYER has, in view, to use Eucalyptus and/or any other fibrous material as raw material for the manufacture of Rayon grade (Dissolving) Pulp in due course. EMPACEL also note that the BUYER intends to enhance the aforesaid capacity to 350 metric tons in course of about

./.

Six years.

EMPACEL guarantees that the Chemical recovery (particularly alkali recovery) shall be eightyfive percent with eightyfive degrees G.E. brightness.

(2) Through the present contract, EMPACEL hereby agrees and undertakes to supply to the BUYER all the machineries, equipments, implements and spare parts a list of which, EMPACEL will send to the BUYER along with detailed Specifications, within one month of signing of this Contract, (hereinafter referred to as "the machineries") for production of Rayon grade (Dissolving) Pulp in the quantities specified in the Article I(1) hereinabove). The machineries are more fully described in the specification to be sent by EMPACEL within one month of signing of this Contract.

ARTICLE II - SCOPE OF SUPPLIES BY EMPACEL.

(1)a. EMPACEL will strictly limit its supplies to the machineries described in the specifications subject to modification and/or extensions of these supplies and/or additions thereto in pursuance of Articles II and VIII in this Agreement.

b. It is clearly understood that this Agreement does not cover supply of outdoor handling, coal and ash treatment plant, SO2 preparation and insulation and grease oils, buildings and chimneys, water pumping plant and pipes required for effluent discharge, Workshop and laboratory equipment, lighting, erection tools, which will be supplied at the expense of the BUYER.

However, EMPACEL may make all and any suitable modifications in the specification provided it gets in advance the BUYER's written approval. The BUYER shall indicate his approval or disapproval within three months from receipt of EMPACEL's written proposals under registered post for such modifications. If such indication is not given within the aforesaid time by the BUYER, EMPACEL shall be free to make the modifications so proposed.

(2)a. EMPACEL undertakes and agrees to supply free of any additional costs all and any machineries and accessories even though any or all of them have not been specifically included in the Schedules, if any or all of them are necessary for satisfactory completion and operation of the Mill and for the performance of the guarantee stated in Article VIII below.

EMPACEL also undertakes to make all its supplies F.O.B.French Port of Antwerp (Belgium) or West Germany, at the discretion of EMPACEL provided that the BUYER shall be intimated in writing one month in advance of the arrival of the Machineries at the French Port

./.

of Antwerp (Belgium) or West Germany. The F.O.B. selling Terms are those defined by Incoterms 1953.

ARTICLE III - PRICES AND TERMS OF PAYMENT OF THE MACHINERIES.

(1) The total price of the machineries and all services to be supplied by EMPACEL in terms of this Agreement is £.3,652,800 (£.Sterling three million, six hundred and fifty two thousand and eight hundred) F.O.B. French port of Antwerp (Belgium) or West German Port at EMPACEL's choice, for foreign components and Rs.66 (Sixty six) lakhs for Indian Components of supplies.

(2) The price is firm and not subject to any increase due to rise in prices of raw materials, stores, etc. or cost of labour or any other cause and or any reason whatsoever except any increase in the present tax or duty by the Government of India only on the Indian components.

This price will be paid by the BUYER to EMPACEL in transferable Pounds Sterling according to the payment procedure in Article IV hereinafter in instalments detailed hereunder.

(3) Out of the amount of £.3,652,800, the sum of £.937,500 (£.Sterling nine hundred and thirty seven thousand five hundred) will be paid by Investors in France on behalf of Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd. and the balance of £.2,715,300 (£.Sterling two million seven hundred and fifteen thousand and three hundred) shall be payable in TEN equal half-yearly installments as under:

i). The first instalment nine months after the date of shipment of the last consignment as defined hereinbelow.

ii). The Second one	twelve months	...do..
iii). The Third one	eighteen months	...do..
iv). The Fourth one	twenty-four months	...do..
v). The Fifth one	Thirty months	...do..
vi). The Sixth one	thirty-six months	...do..
vii). The Seventh one	forty-two months	...do..
viii). The Eighth one	forty-eight months	...do..
ix). The Ninth one	fifty four months	...do..
x). The Tenth one	sixty months	...do..

(4) With each shipment, the following documents shall be handed over to the BUYER, through the State Bank of Mysore, Central Bank of India Ltd. and/or any other schedule Bank to be mutually agreed:

i). One complete set of original Bills of Lading, in three sets. In case the Machineries could not be loaded on board due to any default on the part of the BUYER, it would be put in warehouse at the BUYER's expenses and the Warehouse Certificate which would be handed over to the BUYER would replace the Bill of Lading and would constitute the proof that this equipment is the BUYER's

308

property.

ii) Commercial Invoices in three sets.

iii) Acceptance Certificates as referred to in Article VII below.

iv) Specifications of Machineries.

The above documents will indicate clearly the progress of shipment and will help in determining as to which will be the last shipment.

(5) The shipment of the last consignment (hereinbefore and hereinafter referred to as "Last Shipment") means the last shipment covered by invoices showing that the total quantity of the contracted material according to the Specifications have been despatched.

The last shipment documents will be joined with a Certificate drawn up by an international Control Organization (hereinafter referred to as "Certificate of Last Shipment"), stating that the said shipment is the last one.

(6) The International Control Organization, which will be also entrusted with the jobs of inspection, etc. mentioned in the Article VII below, will be the: General Superintendence Company Ltd.

The "Certificate of Last Shipment" will not in any way relieve EMPACEL of its obligations as regards the further supply of machineries in pursuance of Articles II and VIII in this Agreement.

ARTICLE IV - INTERESTS.

The BUYER shall pay the beneficiaries of the promissory notes from the date of sailing of the last shipment an interest on the outstanding instalments to be paid by him. The annual rate of interest shall be Six percent per annum.

ARTICLE V - PAYMENT PROCEDURE:

Foreign Components:

(1) It is understood that payments of £.2,715,300 (£.Sterling two milli seven hundred and fifteen thousand/three hundred) referred to in Article III (1) will be made in Transferable Sterlings, as per instructions furnished by EMPACEL to the respective Companies (hereinafter referred to e "Manufacturers"), entrusted by EMPACEL with the manufacture of the machi eries. EMPACEL will indicate to the BUYER within three months from the date of signing this Agreement the exact amounts to be paid to each Manufacturer, it being understood that the sum total of the said amounts shal not exceed the price of the contract as defined in Article III above.

(2) Within eight months from the date of signing of this Agreement, the BUYER will draw up and sign to the order of each of the said Manufacturers, a series of ten irrevocable promissory notes for the various instalments of the price of the Contract and interests, which will fall due on the date referred to in Article III (3) hereinbefore. The dates of payment of all these promissory notes will not be mentioned but will

./.

be left blank. These Promissory notes will be domiciliated at BANQUE FRANCAISE de COMMERCE EXTERIEUR - PARIS.

(3) Immediately after the issue of the said promissory notes the BUYER shall deposit them with the Bank to be nominated by EMPACEL and make adequate arrangements to meet these Promissory notes on the due dates which will be intimated by EMPACEL to the BUYER after the date of the last shipment is known.

a. These promissory notes can be freely endorsed, negotiated or lodged as cover.

b. The ownership and responsibility of the machineries, equipments, accessories,etc., covered by the documents aforesaid shall fully vest in the BUYER from the respective dates of the Bill of Lading or warehouse certificates, as the case may be, as provided for in Article III (4) (i) hereinabove.

(4) It is clearly understood that the BUYER shall not be entitled to ask EMPACEL to delay, postpone or stop shipments nor shall the BUYER be entitled to delay or stop payment of the promissory notes on the due dates and that the promissory notes are irrevocable.

Indian Components:

The BUYER will pay for the Indian Components ordered, advance not exceeding thirty three and one third percent of the value of the order within forty five days of EMPACEL's requisition, and the balance against delivery of the railway receipts.

ARTICLE VI - TIMES OF DELIVERY.

(1) The deliveries F.O.B. of the machineries will start not later than eight months and will be completed in maximum eighteen months from the date of coming into force of this contract, namely from the date when the guarantee of the Industrial Finance Corporation is executed and handed over to EMPACEL.

(2) EMPACEL shall inform the BUYER the details of shipments two months before the first shipment takes place and shall keep it informed of each subsequent shipment as soon as the loading has been made. And, EMPACEL shall also keep the BUYER well informed of the progress in regard to the manufacture of the Machinery, and probable date of its shipments from time to time.

(3) EMPACEL shall so arrange the timings and order of individual shipments of machineries that it would facilitate and not disrupt in any manner whatsoever the programme and work of erection and installation of machineries. Machineries which are required to be installed first would be shipped first and those required subsequently in installation would be shipped at the time and in the order accordingly. Similarly those machineries which take longer periods of time in installation would be

./.

34

pped first and supplies of the machineries would be so arranged that e completion and satisfactory operation of the Mill shall not be delayed since starting and satisfactory running of the Mill at the earliest possible time after the last shipment is the essence of this contract. EMPACEL shall, therefore, arrange the order and time schedule of shipments in such a manner that no delay takes place in the completion and starting of the plant, on account of shipments of machineries having not been effected in proper time and order.

ARTICLE VII - INSPECTION, SURVEY AND TAKING OVER OF MACHINERIES BEFORE SHIPMENT.

(1) The inspection of all the machineries before shipment shall be made for and on behalf of the BUYER by the General Superintendence Company Ltd.(hereinafter referred to as "The Inspector"). All costs, expenses and fees of such Inspector shall be borne and paid by EMPACEL.

(2) The Inspector's survey shall be made with the object of checking the conformity of any supply with the prescribed specification, plans and nomenclature. This survey will have both quantitative and qualitative character.

(3) The aforesaid Inspector shall have free access to the plants of the Manufacturers and Suppliers. The Inspector shall attend to the tests currently performed in plants in accordance with trade practices and conventions.

It is understood that all trials and tests of the machineries during the course of and after manufacture will take place in the presence of and to the full satisfaction of the Inspector, who will ascertain their conformity with the specifications and will issue conformity certificate.

(4) When all or part of any machineries are completed, the Inspector shall make a last survey of the supply and shall draw up,in triplicate, a report covering such part or the whole of the machineries taken over. The sheets and written reports of the trials will be added to this Certificate.

(5) The acceptance by the Inspector of the machineries on behalf of the BUYER shall be without prejudice to the guarantee mentioned in Article VIII.

However, the BUYER acknowledges and accepts, as from the time of delivery, the irrevocable character of the promissory notes as foreseen in Article V.

It will not be possible to delay these payments for deficiency of the machineries delivered or for any other reason, because such possibilities are covered by the guarantees mentioned in Article VIII.

ARTICLE VIII - GUARANTEES.

(1) Guarantee by EMPACEL of the Machineries:

(a) The machineries described in the Schedule are guaranteed by

./.

CEL for a period of one year after the First Trial or, if any, after the Second Trial, as indicated in this Agreement.

The machineries are guaranteed against defect in materials, workmanship, design, construction, erection and operation, the responsibility of EMPACEL being limited to the due repairing or the replacing of the defective parts, as indicated hereinafter.

b) For the whole duration of the guarantee, EMPACEL undertake to forthwith repair and/or replace free of charge C.I.F. Indian port at BUYER's choice and as quickly as possible all defective machineries and/or any part or parts thereof without any damages to be claimed from it in case of due repair and/or replacement as aforesaid.

The replaced parts shall be returned by the BUYER to EMPACEL at BUYER's site and shall become the property of EMPACEL at EMPACEL's risk and cost.

c) The minor breakdowns, however, which may happen in the course of the usual running will be repaired by the BUYER and the cost of such repairs will be borne by the BUYER.

d) This guarantee shall remain valid under conditions that:

i) The BUYER does not fail to remedy within reasonable time the shortcomings in carrying out the technical instructions in connection with the said machineries given to the BUYER's personnel by EMPACEL provided that such shortcommings, if any, shall have been notified to the BUYER by EMPACEL in writing within three days of the happening of such shortcomings.

ii) Any constructional, erection and running defect of the machineries must be notified in writing to EMPACEL.

iii) The BUYER will respect the instructions of the Manufacturers or EMPACEL regarding erection.

e) EMPACEL shall not be responsible for any parts or machineries replaced by the BUYER or for any normal wear, or for any accidents due to improper operation, provided that such accidents were not due to improper and/or inadequate instructions from EMPACEL or defective machinery.

(2) Guarantee by EMPACEL regarding production.

a) EMPACEL guarantees that the production of the Mill will be 110 (one hundred and ten) metric tons of best quality Rayon grade (Dissolving) Pulp with eighty five degrees G.E. Brightness.

b) EMPACEL guarantees that the chemical recovery (particularly alkali recovery) will be at least eighty five percent calculated in usual manner.

c) This yield is guaranteed subject to the following conditions:

i) The raw material, Bamboo, will be of good quality. If there is any disagreement between parties as to the quality of raw material, the matter would be submitted for decision to the Pulp and Paper Research Institute, Dehra Dun, whose decision shall be considered final. All costs payable to Pulp and Paper Research

/-

312

citute in this connection shall be paid by the party at default.

ii) The other raw materials will be of good standard quality i.e. according to corresponding Indian Standard Specifications, if available, otherwise British Standard Specifications.

iii) The necessary power will be available from the grid and the water will be in sufficient quantity.

iv) The labour employed by the BUYER will be sufficient, as regards number and skill, to ensure a normal operation of the Mill.

v) The equipment will be carried in good state by the BUYER to the erection site.

d) EMPACEL within six months after the starting of the Mill will have to perform and complete a first series of trials under the supervision of EMPACEL's Technicians. The BUYER shall bear all cost of the necessary technicians for the supervision of these trials. The starting date of the Mill shall be considered to be the date when 200 tons of fair grade Rayon (Dissolving) Pulp in the Mill will have been produced. In the course of these trials, a production of 770 metric tons of Rayon grade (Dissolving) Pulp, the characteristics of which are defined in Article VIII (2) (a) will have to be reached continuously within a period of 168 hours. Any period or periods of mechanical breakdowns or delay due to shortage of raw materials, i.e. Bamboo, Coal or Chemicals, or Stores, Water and Power, shall not be taken into account in the computation of 168 hours aforesaid. If this first series of trials prove to be satisfactory, the BUYER shall issue a certificate of Definite Acceptance of the Mill.

e) If this first series of trials do not prove to be satisfactory, EMPACEL will have to perform and complete a second series of trials within twelve months after the starting of the Mill and all terms and conditions of the first series of trials shall mutatis mutandis apply to the same, but all costs of the supervision of this second series will be borne by EMPACEL. If this second series of trials prove to be satisfactory, the BUYER shall issue a certificate of Definite Acceptance of the Mill.

f) If the second series of trials do not prove to be satisfactory, EMPACEL will have to pay the following penalties to the BUYER in addit to fulfilling its undertaking in terms of sub-clause of this Article VIII (2):

Total of Production of Rayon-grade (Dissolving) Pulp.	Penalties in % on total F.O.B. Prices of Machineries
below 750 to 735 metric tons	one percent.
below 735 to 720 " "	two percent.
below 720 to 705 " "	three percent.
below 705 to 690 " "	Four percent.
below 690 " "	Five percent.

g) The payment of all penalties will be effected within one month

./.

313

om the date of issue of Certificate of Production by the BUYER in Sterling Pounds by EMPACEL by means of transfer in favour of the BUYER of an equal amount to a Bank in India approved by the BUYER.

h) EMPACEL shall guarantee to the BUYER through BANQUE FRANCAISE de COMMERCE EXTERIEUR, due repayment of all penalties which the BUYER may be entitled to and such guarantee will be furnished along with the Certificate of last shipment referred to in Article III above.

i) If these trials do not prove to be satisfactory, EMPACEL shall forthwith supply, instal and erect at its cost all machineries to bring the Mill to its guaranteed production capacity.

However, the BUYER reaffirms the irrevocable character of the promissory notes referred to in the Article IV of this agreement and agrees not to delay payment of these promissory notes on account of any delay in the fulfilment of the guaranteed production.

j) Should the erection of the buildings of the Mill be not complete due to any default on the part of the BUYER in order to allow the correct installation of the machineries within thirty six months after the coming into force of the present contract, the present production guarantee would be automatically cancelled, otherwise, the guarantee shall remain in full force.

ARTICLE IX - MISCELLANEOUS EXPENSES, TAXES AND FEES.

All charges, fees and taxes and other expenses imposed or chargeable in India at present or as may be enforced in future, in respect of the carrying out of this contract, EXCEPTING Income Tax and Super Tax payable by EMPACEL on its income accruing to EMPACEL under this contract and/or its personnel or technicians shall be borne by the BUYER.

All charges, fees and taxes and other expenses imposed or chargeable in France or enforced in the future, in respect of the carrying out of this contract shall be borne by EMPACEL.

ARTICLE X - ARBITRATION.

All disputes between the parties from time to time shall be referred to arbitration of two arbitrators one to be appointed by each of the parties hereto in accordance with the provisionsof the Indian Arbitration Act, 1940.

IN WITNESS WHEREOF the BUYER and EMPACEL have caused this

./.

324

instrument to be executed by their authorised representative their corporate Seals being duly affixed hereon, the day month and year first above written at Bangalore, namely 21 July 1960.

for GREATER MYSORE RAYON-GRADE PULP & PAPER MILLS LTD.

(S.V.VISVANATHAN)
Managing Director.

(P.V.S.VENKATACHALAM)
Director.

for and on behalf of EMPACEL

Dr.H.M.Abdul Razack
Secretary & Finance Director
(Designate)
GREATER MYSORE RAYON-GRADE PULP &
PAPER MILLS LTD.

(F. POLACK)
Chairman & General Manager.

J.M. De BEAUCORPS
Engineer
32, Golf Link Road
New Delhi.

This Agreement entered into this Thursday the twenty-first day of July One thousand nine hundred and sixty, in Bangalore, Mysore State, India

BETWEEN:

Greater Mysore Rayon-Grade Pulp & Paper Mills Ltd., incorporated unde the Indian Companies Act I of 1956 with an Authorised Capital of Rupe Ten Crores (£.7,500,000) and having its Registered Office at 6.E, Brigade Road, Bangalore.1, Mysore State, India, (hereinafter referred to as "The BUYER") represented by its Founder and Managing Director, Sri S.V.Visvanathan

AND:

"ETUDES ET MATERIELS POUR L'INDUSTRIE DU PAPIER DE LA CELLULOSE EMPACEL" a French Joint Stock Company, having its Head Office at 13, Rue La Fayette, Paris (France) and represented by Mr.Francois POLACK, Chairman and General Manager under the terms of Procuration affixed to the present Agreement (hereinafter referred to as "EMPACEL"), as follows:

ARTICLE I - GENERAL.

(1) The present agreement concerns the erection, installation and starting by EMPACEL in North Kanara District, Mysore State, India, of a Rayon Grade (Dissolving) Pulp Plant, the supply of which has been settled in a separate Agreement of date (21 July 1960) between the BUYER and EMPACEL.

(2) Through the present agreement, EMPACEL hereby agrees and undertakes to render to the BUYER the services mentioned in ARTICLE II below as regards installation of the Mill and erection of the Machineries for manufacture of 110(one hundred and ten) metric tons of Rayon grade (Dissolving) Pulp having not less than eighty five degree

./.

316

G.E.Brightness and the Chemical recovery (particularly alkali recovery shall be eightyfive percent.

ARTICLE II - SCOPE OF SERVICES BY EMPACEL.

A/ENGINEERING SERVICES.

EMPACEL will execute and supply to the BUYER:

(a) Preliminary Engineering

1) Detailed flow sheets for each department with complete calculation of characteristics for equipments and flows and indications of:

- Pressure
- Temperature
- Flows
- Outputs

ii)Preliminary location plans of heavy machinery and the general lay out which is obtained for the choice of the conception of the Mill scale 1/100.

iii)Detailed general lay out drawings (scale 1/100)

Detailed location plans for all machineries (Scale 1/50) with indication of loads.

Lay-out drawings of

- all pipings for steam, water, pulp, compressed air, return condensate etc.
- all wirings between units or departments of the Mill.

(b) Layout drawing of Sewers.

(c) Detailed plans and drawings for buildings and foundations as well as complete list (bills of materials) of all fittings and accessories and materials required for all concrete works.

EMPACEL will also supply to the BUYER the following:

(a) General Documentation

i)With each material

- Dimension drawings
- Loan drawings
- instructions and necessary details for the maintenance
- necessary technical data for interconnecting the supplied equipment.
- necessary chest plans.

ii)with complete plant:

- general flow sheet and flow sheet for each department determinging the characteristic of the main equipment.

B/ERECTION SERVICES.

(a) EMPACEL will put at the disposal of the BUYER, under conditions stated in Articles IV, V and VI hereof, the necessary Chief Installation Engineer, Chief Engineers and Engineers mentioned in the list

./.

below for the period, emoluments and perquisites indicated below for supervision of erection and starting of the Mill.

Designation.	Period.	Monthly Emoluments.
1. One Chief Installation Engineer.	Fifteen months	Rs.5,500/- (Rupees five thousand five hundred).
2. Five Chief Engineers for different Departments of operations.	Twelve months	Rs.4,500/- (Rupees four thousand five hundred) EACH.
3. Seven Engineers for different Departments.	Twelve months.	Rs.3,500/- (Rupees three thousand five hundred) EACH.

The above emoluments are payable in Rupees and are exclusive of lodging and boarding for each of the aforesaid Technical Personnel, as also their travelling from their home-town in foreign Countries to Bangalore and thence, to Worksite, and for their return journey, all of which will be provided for, paid and borne by the BUYER.

EMPACEL will also supply ALL the Civil Engineering, detailed drawings, calculations and specifications of materials required for Construction of the Factory and other auxiliary buildings, godowns, and for services of one Senior Civil Engineer at the cost of the BUYER all for a Lump Sum of Rs.8.50,000/- (Rupees eight lakhs fifty thousand).

The durations of stays of the above erection and installation technicians have been calculated according to the Erection Planning which will be delivered by EMPACEL to the BUYER within six months of signing of this contract. However, if the periods indicated above need to be extended because of the fault, defect or negligence of the BUYER or EMPACEL, such additional costs shall be paid by such party as is responsible for such faults, defect or negligence to the other party.

(b) The Chief Installation Engineer, Chief Engineers and Engineers will be assisted by skilled and unskilled staff and labour (including office staff etc.) to be put at their disposal by the BUYER in sufficient numbers. In case the technical standard of these staff would be found unsatisfactory by EMPACEL or could not be improved and such staff cannot be replaced by local staff, EMPACEL reserves its right to ask the BUYER for getting adequate number of technicians at the BUYER's cost.

(c) All personnel supplied by EMPACEL shall be able, competent, well qualified and well experienced to perform most efficiently the duties to be assigned to them.

ARTICLE III - OBLIGATIONS OF THE BUYER.

The BUYER shall:

1. Have the equipment carried from an Indian port in good condition

./.

to the erection site.

2. Fulfil the obligations enumerated in Article IV and V hereof as regards conditions of labour and of stay of EMPACEL's Personnel.

ARTICLE IV - LABOUR CONDITIONS OF THE TECHNICIANS.

(1)The Chief Installation Engineer referred to in Article II shall represent EMPACEL at site and will carry out all works in consultation with the BUYER. The responsibility for proper execution of work under these presents shall, however, be of EMPACEL.

(2)The BUYER shall supply to the personnel of EMPACEL all necessary facilities for their works, cars to drive them to the field, local workmen, materials etc.

(3)The BUYER shall supply free of charge: water, fuel oil, compressed air, welding gas, finishing paint (laying included), electric energy lighting of the works, telephone, storage installations, offices and other necessities and conveniences for the work of EMPACEL's personnel, as well as materials necessary for the erection and the testing. The Engineers, Technicians and Civil Engineering Personnel will be at the disposal of the BUYER and will obey the BUYER's instructions as regards the discipline of the workyard.

(4)As for the implementation of the technical work, the BUYER will not unduly interfere with the technicians and there will be joint consultations on all important matters, and particularly on matters of policy and of expenditure.

ARTICLE V - CONDITIONS OF STAY OF TECHNICIANS.

The following conditions will apply to the Chief Installation Engineer, Chief Engineers and Engineers and Civil Engineer mentioned in Article II (all of whom are in these presents called "Technicians").

(1) Air transport expenses of single journey by tourist class for EMPACEL's technicians from France to India and back, as well as transport expenses of their normal personal luggage and individual erection tools will be at the cost of the BUYER.

(2) The BUYER will supply free of charge to the technicians:

(a) servants and laundry service.

(b) transport from place of residence to the works.

(c) suitable accommodation at site or near the site.

(3) (a) Should the technicians have their family with them only separate accommodation for each family would have to be supplied by the BUYER.

(b) The bachelors will have to be individually lodged in a suitable room.

(4) The accommodations will have to be waterproof and supplied with the normal furniture and commodities; beds, tables, chairs, lighting, water, etc. and will have sanitary facilities.

(5) EMPACEL will not be responsible for any accident and any mat-

./.

ages which might ... to the BUYER's staff through the fault
YER or the staff themselves on the erection field.
MPACEL will be responsible for and insure its technicians against
accidents and illnesses and the BUYER shall have no liabiliry what-
ever for the same irrespective of the fact that the BUYER will be
ying their emoluments etc.

(7) It is well understood that EMPACEL will entertain no claims what-
ever regarding bodily injuries to a third person or material damages
used by an act of its technicians during the erection period except
mages wilfully caused by the technicians.

(8) The BUYER will also take all necessary steps to give first-aid
o the ill and injured technicians, as well as their hospitalization.
owever, the hospitalization, medical and other expenses will be reim-
bursed to the BUYER by EMPACEL through the Insurance Company of EMPACEL
or otherwise upon presentation of the vouchers.

(9)The BUYER will take necessary precautions by employing Watch and
Ward Staff for the security of the field and Workyard.

(10) The BUYER undertakes not to create any action which could increase
the erection risks, such as deposit of dangerous materials or materials
of hazardous nature in the neighbourhood of the erection field, etc.,
unless the same are necessary for the erection of the Mill and manu-
facturing purposes.

ARTICLE VI - PRICE AND TERMS OF PAYMENT OF THE SERVICES.

The price of Plant and Machinery ordered as per separate agreement
of date is inclusive of the cost of all Technical Services, drawings,
designs, flow-sheets, etc., except to the extent to which it has been
provided for under these presents as being payable by the BUYER.

This price is firm and not subject to any increase due to rise in
cost of salary of technicians or wages of labour or any other cause
whatsoever.

The BUYER will have no liability for the Civil Engineering fees,
salaries, wages and any payments other than those explicitly agreed
herein.

The payment of this price will be made as follows:

Forty percent within three months of the date of Allotment of Shares by the BUYER.

Twenty percent within twelve months of the date of Allotment.

Twenty percent within eighteen months of the date of Allotment.

Twenty percent within twenty-four months of the date of Allotment.

Within one month of allotment of Shares, the BUYER will open in
favour of EMPACEL with the State Bank of Mysore, Bangalore, or the
Central Bank of India, Bangalore, or any other scheduly Bank in India,
a Letter of Credit irrevocably guaranteeing payment of the three last

./.

320

above instalments.

ARTICLE VII - MISCELLANEOUS EXPENSES, TAXES AND FEES.

All charges, fees and taxes and other expenses imposed or chargeable in India at present or as may be enforced in future, in respect of the carrying out of this contract, EXCEPTING Income Tax and Super Tax payable by EMPACEL or its income accruing to EMPACEL under this contract and/or its personnel or technicians shall be borne by the BUYER.

ARTICLE IX - ARBITRATION.

Any dispute arising on the occasion of interpretation or execution of this Agreement will be submitted to Arbitration, and acting under provisions of Indian Arbitration Act, 1940.

IN WITNESS WHEREOF the BUYER and EMPACEL have caused this instrument to be executed at Bangalore by their authorised representatives, their corporate Common Seal being duly affixed hereon, the day, month and year first above written, namely 21 July 1960.

for GREATER MYSORE RAYON-GRADE PULP & PAPER MILLS LTD.

S.V. VISVANATHAN.
Managing Director.

P.V.S. VENKATACHALAM
Director.

Dr. H. M. Abdul Razack.
Secretary & Finance Director
(Designate)
GREATER MYSORE RAYON-GRADE PULP & PAPER MILLS LTD.

for and on behalf of EMPACEL

(F. POLACK)
Chairman & General Manager.

J.M.De BEAUCORPS
Engineer
32, Golf Link Road
New Delhi.

32

N.S.Kaikini, A.I.F.C.,
Chief Conservator of Forests.

New Public Offices,
Bangalore-1.

Dated: 5- 6-1961.

D.O.No.A2-(b)-96-2311/58.

Dear Murthy,

Sub:- Finalisation of the agreement terms - Greater Mysore Rayon Grade Pulp and Paper Mills Ltd. - Discussions held on 4-2-1961 in the Chambers of the Secretary to Government, Agriculture and Forest Department, Bangalore - Grant of concessions.

Ref:- i) Letter dated 29-5-1961 of the Managing Director, Greater Mysore Rayon Grade Pulp & Paper Mills Ltd., Bangalore addressed to the Minister for Forests.

ii) Your No.AFD 20 FAC 58 dated 31-1-1961.

....

I invite your reference to the above and add that I have not yet received a copy of the proceedings of the above meeting.

I request you therefore to furnish me with a copy thereof early.

Yours

(N.S.Kaikini)

Shri K.S.N.Murthy, I.A.S.,
Deputy Secretary to Government,
Agriculture and Forest Department,
B A N G A L O R E.

5/6/61

N.P.

N.F— I. S
4.7. 32

GOVERNMENT OF MYSORE.

No.AFL 20 F&C 58. Mysore Government Secretariat,
Vidhana Soudha,
Bangalore, Dated, 13 JUL 1961

From

The Secretary to the Government of Mysore,
Agriculture & Forest Department,
Bangalore.

To

The Chief Conservator of Forests in Mysore,
Bangalore.

Sir,

Subject:- Greater Mysore Rayon Grade Pulp and Paper Mills Ltd. - Problems relating to -

---

In enclosing a copy of the proceedings of the meeting held in the Chambers of the Secretary to Government, Agriculture and Forest Department on 4th February 1961, I am directed to request you to forward a revised draft agreement provisionally to be executed by the Company in the light of these proceedings. The royalty may be fixed at Rs.3/- per ton of bamboos subject to the condition that after a period of 5 years it will be enhanced by not less than Rs.6/- per ton of bamboos. The period of lease will be 30 years. The rent to be charged for the land will be Rs.3/- per acre per annum.

2. If need arises the Company must also give financial help to afforest the area with bamboos and softwoods to ensure continuous supply of raw materials to the Company.

3. An early action will be appreciated.

Yours faithfully,
Sd/-

(S.V. Prabhu)
Under Secretary to Government,
Agriculture & Forest Department.

Copy together with a copy of the aforesaid proceedings forwarded to Shri C.V. Viswanathan, Managing Director, Greater Mysore Rayon Grade Pulp and Paper Mills Ltd., 6-3, Brigade Road, Bangalore-1, for information and with a request to get into contact with the Chief Conservator of Forests and finalise the draft agreement early.

Sd/-

(S.V. Prabhu)
Under Secretary to Government,
Agriculture & Forest Department.

Copy together with a copy of the proceedings forwarded to -

1. The Secretary to Government, Commerce & Industries Department,
2. The Deputy Secretary to Government, Public Works and Electricity Department,
3. The Deputy Secretary to Government, Revenue Department,
4. The Under Secretary to Government, Local Self Government Department.

(S.V. Prabhu)
Under Secretary to Government,
Agriculture & Forest Department.

KTK/12

[redacted]

1. Secretary to Government, Agriculture and Forest Department.
2. Secretary to Government, Commerce & Industries Department.
3. Deputy Secretary to Government, Revenue Department.
4. Deputy Secretary to Government, Public Works Department
5. Deputy Secretary to Government, Agriculture and Forest Department.
6. Under Secretary to Government, Local Self Government Department.
7. Chief Conservator of Forests in Mysore, Bangalore.

The agreement to be entered into between the Government on the one hand and the Mysore Rayon Grade Pulp and Paper Mills, Ltd., was discussed in detail with particular reference to the following points:—

1. [redacted] The important source of water supply to the industry and for the colony is from river Bhadra. This is not perennial and there will not be much water during summer months. For securing an uninterrupted, continuous and adequate supply of water, there is a great necessity for the construction of a dam to store water.

2. During discussion it was also brought to the notice of the members by the Deputy Secretary, Public Works Department that there is every likelihood of the site where the factory is proposed to be built as well as part of area from which the raw materials are drawn being submerged as the Public Works Department have plans to put up a Power Project on Bedthi river. It was also explained that the Project report is ready even though it is not known when exactly the construction is likely to be taken up.

3. The Public Works Department is of the view that the dam proposed to be constructed by the promoters should be done under the supervision of the Public Works Department authorities who should also be allowed to attend to its maintenance. Otherwise, the Public Works Department will put up a dam at the cost of the company and the water will be sold at the scheduled rates.

324

4. The question of supply of power from Bhadra Project is to be examined further in view of the previous commitments to other industrial concerns. The promoters may be advised to switch on to thermal plants or generators fed on diesel oil. It is presumed that the Bhadra Project is likely to come up only in 1968. The alternative for power supply in the circumstances is from the Sharavathi which is expected to go into Commission by the end of 1965.

5. The question of supply and the rate of power will have to be taken up with the Mysore Electricity Board by the promoters. There are separate schedules for supply of power and the promoters will have to enter into separate agreement with the Mysore State Electricity Board. The present agreement need not include this point.

6. Supply of bamboo: This factory requires 1,32,000 tons of Bamboo as raw material per annum. Chief Conservator of Forests is of the view that no guarantee regarding the supply of raw materials could be given. The whole forest area in Sunara excluding areas already allotted to the West Coast Paper Mills may be allotted to this factory keeping 80,000 tons of Bamboo for the normal public demand. This, the Chief Conservator of Forests considers sufficient for an initial production of 100-115 tons. The Secretary, Commerce and Industries agreed with the Chief Conservator of Forests.

7. Royalty: The Chief Conservator of Forests is of the view that there should be concession in this behalf during the first five years (Rs.6/- a ton for air dry bamboo may be levied) and it be suggested that rise in royalty rates after 5 years should not be less than Rs.6/- in subsequent years. It is also necessary to mention that the royalty will be on the basis of raw material drawn and not on the basis of manufactured product.

2.....

325

8. [illegible]

There is no objection from the Local Self Government Department. The Under Secretary said that the agreement is in order. It was also brought to the notice of the Committee that there is going to be a central legislation on the subject and the provisions in the agreement are in conformity with the proposed legislation. Pending legislation the company will abide by such instructions as may be issued by the Director of Public Health and see that the company makes arrangements to put up a recovery plant to clear trade effluents before they are discharged.

9. The company should be asked to sink wells along the borders of the river as an alternative source of water supplies for cattle and men of nearby villages.

10. [illegible] an extent of 800 acres may be earmarked and the land released whenever it is required by the company on 30 year lease basis with an option for renewal after the expiry of the 30 year period. The reasonable rent to be fixed should not be less than Rs.30/- an acre per annum as has been done in the case of the West Coast Paper Mills, Ltd.

11. The Chief Conservator of Forests has stated that he can take up plantations of eucalyptus, kyala and similar softwoods to provide an alternative source of raw material and the plantations are likely to come to maturity in a period of 3-5 years.

In the light of above, it was decided that the agreement needs to be revised. The Chief Conservator of Forests will be requested to send up a revised agreement.

Sd/-
(S.V. Reddi)
Secretary to Government,
Agriculture & Forest Department.

'Copy'

(M.V. Prabhu)
Under Secretary to Government,
Agriculture and Forest Department.

[illegible]

1. Secretary to Government, Agriculture and Forest Department.

2. Secretary to Government, Commerce & Industries Department.

3. Deputy Secretary to Government, Revenue Department.

4. Deputy Secretary to Government, Public Works Department

5. Deputy Secretary to Government, Agriculture and Forest Department.

6. Under Secretary to Government, Local Self Government Department,

7. Chief Conservator of Forests in Mysore, Bangalore.

The agreement to be entered into between the Government on the one hand and the Greater Mysore Rayon Grade Pulp and Paper Mills, Ltd., was discussed in detail with particular reference to the following points:—

1. [illegible] The important source of water supply to this industry and for the colony is from river [illegible]. This is not perennial and there will not be much water during summer months. For ensuring an uninterrupted, continuous and adequate supply of water, there is a great necessity for the construction of a dam to store water.

2. During discussion it was also brought to the notice of the members by the Deputy Secretary, Public Works Department that there is every likelihood of the site where the factory is proposed to be built as well as part of area from which the raw materials are drawn being submerged as the Public Works Department have plans to put up a Power Project on Bedthi river. It was also explained that the project report is ready even though it is not known when exactly the construction is likely to be taken up.

3. The Public Works Department is of the view that the dam proposed to be constructed by the promoters should be done under the supervision of the Public Works Department authorities who should also be allowed to attend to its maintenance, otherwise, the Public Works Department will put up a dam at the cost of the company and the water will be sold at the scheduled rates.

320

above instalments.

ARTICLE VII - MISCELLANEOUS EXPENSES, TAXES AND FEES.

All charges, fees and taxes and other expenses imposed or chargeable in India at present or as may be enforced in future, in respect of the carrying out of this contract, EXCEPTING Income Tax and Super Tax payable by EMPACEL or its income accruing to EMPACEL under this contract and/or its personnel or technicians shall be borne by the BUYER.

ARTICLE IX - ARBITRATION.

Any dispute arising on the occasion of interpretation or execution of this Agreement will be submitted to Arbitration, and acting under provisions of Indian Arbitration Act, 1940.

IN WITNESS WHEREOF the BUYER and EMPACEL have caused this instrument to be executed at Bangalore by their authorised representatives, their corporate Common Seal being duly affixed hereon, the day, month and year first above written, namely 21 July 1960.

for GREATER MYSORE RAYON-GRADE PULP & PAPER MILLS LTD.

S.V. VISVANATHAN.
Managing Director.

P.V.S. VENKATACHALAM
Director.

Dr.H.M.Abdul Razack.
Secretary & Finance Director
(Designate)
GREATER MYSORE RAYON-GRADE PULP &
PAPER MILLS LTD.

for and on behalf of EMPACEL

(F. POLACK)
Chairman & General Manager.

J.M.De BEAUCORPS
Engineer
32, Golf Link Road
New Delhi.

32

N.S.Kaikini, A.I.F.C.,
Chief Conservator of Forests.

New Public Offices,
Bangalore-1.

Dated: 5- 6-1961.

D.O.No.A2-(b)-96-2311/58.

Dear Murthy,

Sub:- Finalisation of the agreement terms - Greater Mysore Rayon Grade Pulp and Paper Mills Ltd. - Discussions held on 4-2-1961 in the Chambers of the Secretary to Government, Agriculture and Forest Department, Bangalore - Grant of concessions.

Ref:- i) Letter dated 29-5-1961 of the Managing Director, Greater Mysore Rayon Grade Pulp & Paper Mills Ltd., Bangalore addressed to the Minister for Forests.

ii) Your No.AFD 20 FAC 58 dated 31-1-1961.

....

I invite your reference to the above and add that I have not yet received a copy of the proceedings of the above meeting.

I request you therefore to furnish me with a copy thereof early.

Yours

N.S.Kaikini

(N.S.Kaikini)

5/6.

Shri K.S.N.Murthy, I.A.S.,
Deputy Secretary to Government,
Agriculture and Forest Department,
B A N G A L O R E.

5/6/61

N.P.

329

PROCEEDINGS OF THE GOVERNMENT OF MYSORE.

Sub:--Construction of a water reservoir (Dam) at Tandinala near Kalsur, Yellapur Taluk, North Kanara District for the proposed Greater Mysore Royon Grade Pulp & Paper Mills, Ltd. - Grant of concessions -

.....

ORDER NO.AFD 25 FDP 62
BANGALORE DATED THE 2 MAR 1963 FEBRUARY 1963/ 6 MAR 1963,
Phalguna 11, Saka 1884.

READ:--

Letter No.A2(b)96-2311/58 dated 19-7-1962 from the Chief Conservator of Forests in Mysore, Bangalore.

PREAMBLE:--

A Pulp and Paper Factory styled as 'The Greater Mysore Pulp & Paper Mills Ltd., is coming up at Kalsur, Yellapur Taluk, North Kanara. Government have accorded sanction to the Managing Director of the Company for doing preliminary work for establishing the Factory. The Company has proposed construction of a water reservoir at Tandinala near Kalsur, Yellapur Taluk, for meeting the water requirements of their Factory. The area which will be submerged as per the blue print furnished by the Company in respect of the proposed construction of dam comes to 1612 acres 37 guntas and comprised Forest area of 1421-12 acres, Revenue lands of 32-33 acres and private lands of 158-32 acres. In a series of meetings held in the Chambers of the Minister for Forests and the Chief Minister in July and October 1962, it was decided that the Forest areas and Revenue lands, mentioned above, should be released for the proposed construction of the dam, and as regards the private lands, the Company should negotiate with the parties direct and purchase them.

ORDER

Government are pleased to direct that the Forest area of 1421-12 acres and the Revenue lands of about 32-33 acres in Yellapur (North Kanara) should be released in favour of the Greater Mysore Rayon Pulp & Paper Mills Ltd., Bangalore, subject to the following conditions:--

a). That the Company clear fell the Forest area and deliver to the Forest Department all timber and other forest material in the area duly prepared, as per conditions and specifications, prescribed by the Forest Department;

b). That the Company pay to Government by way of compensation a rent of Rs.3/- per acre per annum for the Forest and Revenue lands;

c). That the Company execute the lease deed and also deposit one year's rent at the rate of Rs.3/- per acre per annum in advance;

d). That the Company, agree to pay a sum of Rs.1,000/- per annum by way of charges for the water used for their Factory, to an extent of 1450 to 1500 M.C.Ft. of water per year. This rate is subject to revision after five years.

The Company should negotiate with the Private parties concerned direct and purchase the remaining area required for construction of the Dam

The Chief Conservator of Forests in Mysore, Bangalore, and the Deputy Commissioner, North Kanara are requested to take further action for the release of the lands mentioned above and forward the draft notifications in this respect for publication in the Government Gazette.

By Order and in the name of the Governor of Mysore,
Sd/-. T.S. Ramaiya, 28/2/63,
Under Secretary to Govt. Agriculture and Forest Department.

To
The Chief Conservator of Forests in Mysore, Bangalore, etc.,

No.A2(B)-96-2311/55. CHIEF CONSERVATOR'S OFFICE, BANGALORE,
Dated: 18th March 1963.

Copy to the Conservator of Forests, Belgaum Circle, Belgaum, (2) The Divisional Forest Officer, Kanara Eastern Division, Dharwar, with two spare copies, (3). G.O. File, (4) A2(a) Section (5) B3 Section.

B.K.18/3/25.

CHIEF CONSERVATOR OF FORESTS.

Factories. We must be able to convince the organisers of the factories also.

Id/- 14-6
H.S.R.,
M. for Forests.

On a different file, F.M. has asked for additional information on the same subject. In this same connection, C.M. had also occasion to minute some remarks and to ask for certain information. The available papers may be amalgamated. The minutes of the Minister for Forests above shoule be put to C.M. for present information.

Id/- 16-6
Secy., C. & I.D.

Before we increase in the royalty we should consult necessary information from the neighbouring States whose Paper Mills have been started.

Sd/- 12-6-
B.D.J., Chief Minister.

Reference para 10 and 5 of the notes.

From the information collected so far, royalty on Bamboos charged by several states is as follows:-

1. The Nepa Mills Ltd. - Rs.5/- per ton of air dried bamboos with not more than 10% moisture.
2. The Ballarpur Paper and Straw-Board Mills, Ltd. Rs.5/4 -do-
3. The Orient Paper Mills Co., Ltd. Rs.0-12-0 per 100 bamboos cut subject to a minimum royalty of Rs.13,000/- per annum (i.e. royalty for 24 lakhs of bamboos).
4. Mysore Paper Mills. Rs.7-15-0 per ton air dry bamboos.

The Assam Govt. have stated that no paper factory was yet started in the Assam State although some

WD 07273—GPB—PZS—8.00,000—1960.

Sub:- Royalty proposed to be charged for Bamboo to be made available to Greater Mysore Rayon Grade Puls and Paper Mills.

Mysore Government Secretariat

File No. of 196 [App. F. II 2

AFD 20 FAC 58

C & I Dept's note:—

Serial No.

1. The Minister for Forests had called me on 6th June 1961. He wished to know my reactions about the proposed increase in the royalty of bamboos by Re.1/- per ton.

2. Our file on the subject has been taken by the Finance Department for study in connection with the finalisation of the agreement. My recollection is not quite clear as to whether we, in the C. & I.D., have recommended any particular rate to be levied for bamboo to be supplied to this industry. In these sircumstances, we shall be grateful if the file of the A. & F.D. is made available to us for reference before we are in a position to express our opinion regarding the reasonableness of the royalty proposed to be charged for bamboos to be supplied to this industry.

Id/-
Secy., C.&I.D.

Secy. to Govt., A. & F.D.

Copy for favour of information.

Id/- 9-6
Secy., C.& I.D.

Minister for Forests.

The rates that are proposed to be charged appear to be low. Some how the publice have come to know this. Some of the M.L.As. asked me about this and they also told me that the rates should be raised. It is also my opinion that the royalty paid for the baomboos is always a small fraction of the cost of extraction and transport and hence any factory can afford to pay the proper charges. Besides there is a proposal to grow bamboos by spending a lot of money to ensure a continuous supply to the factories in the interest of the factories. All these factors may be taken into consideration while fixing the royalty to all the

Note.—Contn. Sheet

Serial No.

are being established shortly. They have, however, intimated that the present usual royaltv is Rs.6/- per ton, but for prospective unit in the State lesser rate is proposed. The lesser rate that is proposed by the Assam Govt. is not indicated.

Id/-
U.S., C.& I-D.,

C.M. I

Secy., A. & F. may send the concerned file.

Id/- 23-6
B.D.J.,
Chief Minister.

Please obtain the main file and put up.

Id/- 30-6
D.S., A.&F.D.

Ref. Paras 15 and 16 n/f. supra.

A. & F.D.'s file No.AFD 20 FAC 58 with its notes file placed below (Flag A) may be made available to C. & I.Deptt. for being submitted to the C.M. as desired in para 15 supra.

Id/- 3-7-
U.S.,A&F.D.

Pl. vide para 14 and 15 n.f.

Id/- 577-61
D.S.,A&F.D.

Id/- 6-7
Secy.,A&F.D.

The paper may now be returned to C. & I.Deptt. with A.F.D. file No.AFD 20 FAC 58, placed below for ~~for~~ being submitted to the C.M. The C. & I.Deptt. may kindly return our papers when no longer required.

Id/- 15-7-
U.S.,A&F.D.

Note.—Contn. Sheet

Copy of letter No.CI 4 SDB 59, dated 30-6-1960, from C. & I. Deptt., addressed to the Secretary to the Govt. of India, Ministry of Commerce & Industry, New Delhi.

Sub:- Licensing of Industrial Undertakings under the Industries (Development and Regulation) Act, 1951 - Application in Form 'E' dated 31-8-1959 from Shri S.V.Viswanathan, 6-E, Brigade Road, Bangalore-1 to obtain a license for the establishment of a new Industrial Undertaking at Siddalgundi in North Kanara District for the manufacture of Viscose Rayon Grade Pulp and Paper.

I am directed to invite reference to this office letter No.CI6816/Keri-59, dated the 7th October 1959 on the above subject recommending the grant of an Industrial License to Shri S.V.Viswanathan for the establishment of the Industry. Shri S.V.Viswanathan has since made available a copy of the Memorandum and Articles of Association of the Company which has been incorporated on 19-11-1959. He has also produced a copy of the Agreement entered into between the Company representing himself as Founder and Managing Director and Messrs. ETUDES ET HAREREIES PUR L' INDUSTRIE DU PAPIER ET DE LA CELLULOSE (known as EMPACEL) both for Technical and financial collaboration. In view of the progress achieved by him so far and the agreement entered into by him both for Technical and Financial collaboration with the French Firm of EMPACEL, I am to request you kindly to expedite the issue of license in his favour so that the establishment of this important industry which has been pending for some time past may be expedited.

A line in reply regarding the action taken is requested.

These Balance sheets of the Mysore Paper Mills Ltd and the West Coast Paper Mills, are not available either in this office or in CCF's office. 334

7) The information regarding to copy of the Memorandum or Scheme of the proposed factory, may be available in the Commerce & Industries Dept. Therefore you are the FD may be requested to pursue the matter to C&I Dept.

8) With this information this paper may be returned to FD.

RD 14/6/61

3 15/6

9. Please make an official reference to the C.C.F. points 1-3 in para 1 supra.

Sd/- [illegible] 16-6-61

10). W.r.t. para 9 nf. draft letter addressed to CCF to furnish the information on points 1-3 in para 1 supra, is put up for approval.

RD 17/6/61 3 19/6

[illegible] 9-9-61

Issued on 12 [illegible] 1961

12.7.

U.O. No. 2578/W2

D. W & S II

335

GREATER MYSORE RAYON-GRADE PULP & PAPER MILLS LTD.

- - -

The following information may kindly be furnished:

1) The Balance Sheets of the Mysore Paper Mills Ltd., and the West Coast Paper Mills Ltd., for the last 3 years.

2) The Cost of re-planting bamboo per acre and yield per acre.

3) A copy of the Memorandum or Scheme of the proposed Factory.

MYSORE GOVERNMENT SECRETARIAT
NO. 5417
12 JUN 1961
FOREST BRANCH

Sri D

4): W.r.t. the information regarding item 2 of the above Statement, the Cost of re-planting varies according to the area - Roughly it will be Rs 20 to 35 and its yields roughly about an average of ½ Ton/acre.

5) Regarding the remaining two ~~inform~~ points at items 1 and 3, the CCF has ~~has~~ requested to furnish the information, as requested, by Telephone Call on 14.6.61.

~~6) Draft to CCF is put up for approval.~~

6) As per the information received from the C.C.F. re. the information at Item No 1

Mills Co. for the last 3 years.

2) A copy of the Memorandum or scheme of the proposed factory.

ad 3. The cost of replacing bamboo per acre ad 4 per acre

Yf

Eod

U/S.

[illegible]
14/6/61

B 1946

20 FAC 58

337 1

Appendix F. G.—1]

SUBJECT Greater Mysore Rayon-Grade pulp & Paper Mills Ltd.

Diary No. of letter replied to .....

Mysore Government Secretariat.

( )

the 195

Issued

Date of issue: 12 JUL 1961

Signed by .....

List of enclosures .....

Copied by .....

Examined by .....

Section

File No.

Serial No.

No. AFD 5417/61 12 JUL 1961

To

The CCF.

Sir:

I am directed to request you to furnish the following information urgently to Govt ~~as it is need wanted by the finance dept.~~

(1) The Balance Sheets of the Mysore Paper Mills Ltd. and the West Coast Paper

WD 04696—GPB—P2S—8 00 000—22-3-60